



General Assembly

Amendment

January Session, 2009

LCO No. 8836

SB0077508836HDO

Offered by:

REP. TERCYAK, 26th Dist.

To: Senate Bill No. 775

File No. 81

Cal. No. 674

(As Amended by Senate Amendment Schedule "A")

**"AN ACT CONCERNING THE PUBLICATION OF THE
CONNECTICUT SITING COUNCIL REPORT OF LOADS AND
RESOURCES BIENNIALY."**

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Section 4-5 of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective October 1, 2009*):

5 As used in sections 4-6, 4-7 and 4-8, the term "department head"
6 means Secretary of the Office of Policy and Management,
7 Commissioner of Administrative Services, Commissioner of Revenue
8 Services, Banking Commissioner, Commissioner of Children and
9 Families, Commissioner of Consumer Protection, Commissioner of
10 Correction, Commissioner of Economic and Community Development,
11 State Board of Education, Commissioner of Emergency Management
12 and Homeland Security, Commissioner of Environmental Protection,

13 Commissioner of Agriculture, Commissioner of Public Health,
14 Insurance Commissioner, Labor Commissioner, Liquor Control
15 Commission, Commissioner of Mental Health and Addiction Services,
16 Commissioner of Public Safety, Commissioner of Social Services,
17 Commissioner of Developmental Services, Commissioner of Motor
18 Vehicles, Commissioner of Transportation, Commissioner of Public
19 Works, Commissioner of Veterans' Affairs, Commissioner of Health
20 Care Access, Chief Information Officer, the chairperson of the Public
21 Utilities Control Authority, the executive director of the Board of
22 Education and Services for the Blind, the chairperson of the
23 Connecticut Electric Authority, the executive director of the
24 Connecticut Commission on Culture and Tourism, the Ombudsman
25 for Property Rights and the executive director of the Office of Military
26 Affairs. As used in sections 4-6 and 4-7, "department head" also means
27 the Commissioner of Education.

28 Sec. 502. Section 1-120 of the general statutes is repealed and the
29 following is substituted in lieu thereof (*Effective October 1, 2009*):

30 As used in sections 1-120 to 1-123, inclusive:

31 (1) "Quasi-public agency" means the Connecticut Development
32 Authority, Connecticut Innovations, Incorporated, Connecticut Health
33 and Educational Facilities Authority, Connecticut Higher Education
34 Supplemental Loan Authority, Connecticut Housing Finance
35 Authority, Connecticut Housing Authority, Connecticut Resources
36 Recovery Authority, Capital City Economic Development Authority,
37 the Connecticut Electric Authority and Connecticut Lottery
38 Corporation.

39 (2) "Procedure" means each statement, by a quasi-public agency, of
40 general applicability, without regard to its designation, that
41 implements, interprets or prescribes law or policy, or describes the
42 organization or procedure of any such agency. The term includes the
43 amendment or repeal of a prior regulation, but does not include,
44 unless otherwise provided by any provision of the general statutes, (A)

45 statements concerning only the internal management of any agency
46 and not affecting procedures available to the public, and (B) intra-
47 agency memoranda.

48 (3) "Proposed procedure" means a proposal by a quasi-public
49 agency under the provisions of section 1-121 for a new procedure or
50 for a change in, addition to or repeal of an existing procedure.

51 Sec. 503. Subsection (l) of section 1-79 of the general statutes is
52 repealed and the following is substituted in lieu thereof (*Effective*
53 *October 1, 2009*):

54 (l) "Quasi-public agency" means the Connecticut Development
55 Authority, Connecticut Innovations, Incorporated, Connecticut Health
56 and Education Facilities Authority, Connecticut Higher Education
57 Supplemental Loan Authority, Connecticut Housing Finance
58 Authority, Connecticut Housing Authority, Connecticut Resources
59 Recovery Authority, Lower Fairfield County Convention Center
60 Authority, Capital City Economic Development Authority, the
61 Connecticut Electric Authority and Connecticut Lottery Corporation.

62 Sec. 504. (NEW) (*Effective October 1, 2009*) (a) There is established a
63 Connecticut Electric Authority, which shall consist of seven members:
64 (1) One with experience in electricity regulation appointed by the
65 president pro tempore of the Senate; (2) one with experience in
66 electricity generation appointed by the speaker of the House of
67 Representatives; (3) two with experience in electricity consumer issues
68 one each appointed by the majority leaders of the Senate and the
69 House of Representatives; (4) two with experience in electricity
70 conservation issues appointed by the minority leaders of the Senate
71 and the House of Representatives; and (5) the chairperson appointed
72 by the Governor pursuant to section 4-7 of the general statutes. The
73 members appointed pursuant to subdivisions (1) to (4), inclusive, of
74 this subsection shall serve two-year terms coterminous with the term
75 of the appointing authority. The chairperson of the Connecticut
76 Electric Authority shall serve a four-year term, coterminous with the

77 Governor's term, or, if said chairperson is appointed during the
78 Governor's term, the appointment shall be for the remainder of the
79 Governor's term.

80 (b) The Connecticut Electric Authority shall, in accordance with the
81 comprehensive plan approved pursuant to section 16a-3a of the
82 general statutes, (1) increase the state's energy independence by
83 promoting conservation and efficiency and the use of diverse
84 indigenous and regional electric resources; (2) encourage the use of
85 new electric technologies, particularly technologies that support
86 economic development in the state and promote environmental
87 sustainability; (3) minimize costs of electric services to state consumers
88 while maintaining reliable service; (4) discourage undue price
89 volatility of electric service; and (5) encourage competition, when in
90 the interests of state consumers. The authority may own and operate
91 electric power plants and may provide financial assistance, including
92 low-interest loans to encourage the development of necessary electric
93 generation facilities by the electric distribution companies or private
94 entities, provided electricity generated at such facilities shall be sold
95 through the electric distribution companies or the Connecticut
96 Municipal Electric Energy Cooperative for use by Connecticut
97 consumers at cost of service with a reasonable rate of return, as
98 determined by the Department of Public Utility Control. The authority
99 may enter into contracts with electricity generators, suppliers and such
100 other persons as necessary to carry out the purposes of this section.

101 (c) The authority under the direction of the executive director may
102 hire personnel and adopt any policies for internal organization as
103 necessary and may contract with the Connecticut Municipal Electric
104 Energy Cooperative for administrative services.

105 (d) The authority may negotiate contracts with electricity generators
106 for the provision of electric generation services offered pursuant to
107 subsection (c) of section 16-244c of the general statutes, as amended by
108 this act. Such negotiation may be in connection with the provision of
109 financing or other assistance to an electricity generation services

110 supplier for the construction or reconstruction of a generation facility.
111 Such contracts shall be in the best interests of ratepayers and shall offer
112 a reduction in electricity costs to those consumers receiving electric
113 generation services pursuant to said subsection. The Department of
114 Public Utility Control, in consultation with the electric distribution
115 companies, shall review such contracts and shall approve a contract if
116 the department determines that such contracts are consistent with the
117 principles of section 16-19e of the general statutes, as amended by this
118 act, and in the best interests of ratepayers and reduce electricity costs
119 to those consumers receiving electric generation services pursuant to
120 said subsection. Upon the department's approval, an electric
121 distribution company shall enter into such contract with the approved
122 electric generation services supplier.

123 Sec. 505. Section 16a-3b of the general statutes is repealed and the
124 following is substituted in lieu thereof (*Effective October 1, 2009*):

125 (a) The [Department of Public Utility Control] Connecticut Electric
126 Authority shall oversee the implementation of the procurement plan
127 approved by the Department of Public Utility Control pursuant to
128 section 16a-3a. The electric distribution companies shall implement the
129 demand-side measures, including, but not limited to, energy
130 efficiency, load management, demand response, combined heat and
131 power facilities, distributed generation and other emerging energy
132 technologies, specified in said procurement plan through the
133 comprehensive conservation and load management plan prepared
134 pursuant to section 16-245m, as amended by this act, for review by the
135 Energy Conservation Management Board. The electric distribution
136 companies shall submit proposals to appropriate regulatory agencies
137 to address transmission and distribution upgrades as specified in said
138 procurement plan.

139 (b) If the procurement plan specifies the construction of a generating
140 facility, the [department] Connecticut Electric Authority shall develop
141 and issue a request for proposals, shall publish such request for
142 proposals in one or more newspapers or periodicals, as selected by the

143 [department] Connecticut Electric Authority, and shall post such
144 request for proposals on its web site. Pursuant to a nondisclosure
145 agreement, the [department] Connecticut Electric Authority shall make
146 available to the Office of Consumer Counsel and the Attorney General
147 all confidential bid information it receives pursuant to this subsection,
148 provided the bids and any analysis of such bids shall not be subject to
149 disclosure under the Freedom of Information Act. Three months after
150 the [department] Connecticut Electric Authority issues a final decision,
151 it shall make available all financial bid information, provided such
152 information regarding the bidders not selected be presented in a
153 manner that conceals the identities of such bidders.

154 (1) On and after July 1, 2008, an electric distribution company may
155 submit proposals in response to a request for proposals on the same
156 basis as other respondents to the solicitation. A proposal submitted by
157 an electric distribution company shall include its full projected costs
158 such that any project costs recovered from or defrayed by ratepayers
159 are included in the projected costs. An electric distribution company
160 submitting any such bid shall demonstrate to the satisfaction of the
161 [department] Connecticut Electric Authority that its bid is not
162 supported in any form of cross subsidization by affiliated entities. If
163 the [department] Connecticut Electric Authority approves such electric
164 distribution company's proposal, the costs and revenues of such
165 proposal shall not be included in calculating such company's earning
166 for purposes of, or in determining whether its rates are just and
167 reasonable under, sections 16-19, 16-19a and 16-19e, as amended by
168 this act. An electric distribution company shall not recover more than
169 the full costs identified in any approved proposal. Affiliates of the
170 electric distribution company may submit proposals pursuant to
171 section 16-244h, regulations adopted pursuant to section 16-244h and
172 other requirements the [department] Connecticut Electric Authority
173 may impose.

174 (2) If the [department] Connecticut Electric Authority selects a
175 nonelectric distribution company proposal, an electric distribution
176 company shall, within thirty days of the selection of a proposal by the

177 [department] Connecticut Electric Authority, negotiate in good faith
178 the final terms of a contract with a generating facility and shall apply
179 to the department for approval of such contract. Upon [department]
180 Connecticut Electric Authority approval, the electric distribution
181 company shall enter into such contract.

182 (3) The [department] Connecticut Electric Authority shall determine
183 the appropriate manner of cost recovery for proposals selected
184 pursuant to this section.

185 (4) The [department] Connecticut Electric Authority may retain the
186 services of a third-party entity with expertise in the area of energy
187 procurement to oversee the development of the request for proposals
188 and to assist the [department] Connecticut Electric Authority in its
189 approval of proposals pursuant to this section. The reasonable and
190 proper expenses for retaining such third-party entity shall be
191 recoverable through the generation services charge.

192 (c) The electric distribution companies shall issue requests for
193 proposals to acquire any other resource needs not identified in
194 subsection (a) or (b) of this section but specified in the procurement
195 plan approved by the Department of Public Utility Control pursuant to
196 section 16a-3a. Such requests for proposals shall be subject to approval
197 by the [department] Connecticut Electric Authority.

198 Sec. 506. Section 16a-3c of the general statutes is repealed and the
199 following is substituted in lieu thereof (*Effective October 1, 2009*):

200 (a) On and after July 1, 2009, if the [Department of Public Utility
201 Control] Connecticut Electric Authority does not receive and approve
202 proposals pursuant to the requests for proposals processes, pursuant
203 to section 16a-3b, as amended by this act, sufficient to reach the goal
204 set by the plan approved pursuant to section 16a-3a, the [department]
205 Connecticut Electric Authority may order an electric distribution
206 company to submit for the [department's] Connecticut Electric
207 Authority's review in a contested case proceeding, in accordance with
208 chapter 54, a proposal to build and operate an electric generation

209 facility in the state. An electric distribution company shall be eligible to
210 recover its prudently incurred costs consistent with the principles set
211 forth in section 16-19e, as amended by this act, for any generation
212 project approved pursuant to this section.

213 (b) On or before January 1, 2008, the [department] Connecticut
214 Electric Authority shall initiate a contested case proceeding to
215 determine the costs and benefits of the state serving as the builder of
216 last resort for the shortfall of megawatts from said request for proposal
217 process.

218 Sec. 507. Section 16-245l of the general statutes is repealed and the
219 following is substituted in lieu thereof (*Effective October 1, 2009*):

220 (a) The Department of Public Utility Control, in consultation with
221 the Connecticut Electric Authority, shall establish and each electric
222 distribution company shall collect a systems benefits charge to be
223 imposed against all end use customers of each electric distribution
224 company beginning January 1, 2000. The department shall hold a
225 hearing that shall be conducted as a contested case in accordance with
226 chapter 54 to establish the amount of the systems benefits charge. The
227 department may revise the systems benefits charge or any element of
228 said charge as the need arises. The systems benefits charge shall be
229 used to fund (1) the expenses of the public education outreach
230 program developed under subsections (a), (f) and (g) of section 16-
231 244d other than expenses for department staff, (2) the reasonable and
232 proper expenses of the education outreach consultant pursuant to
233 subsection (d) of section 16-244d, (3) the cost of hardship protection
234 measures under sections 16-262c and 16-262d and other hardship
235 protections, including, but not limited to, electric service bill payment
236 programs, funding and technical support for energy assistance, fuel
237 bank and weatherization programs and weatherization services, (4) the
238 payment program to offset tax losses described in section 12-94d, (5)
239 any sums paid to a resource recovery authority pursuant to subsection
240 (b) of section 16-243e, (6) low income conservation programs approved
241 by the Department of Public Utility Control, (7) displaced worker

242 protection costs, (8) unfunded storage and disposal costs for spent
243 nuclear fuel generated before January 1, 2000, approved by the
244 appropriate regulatory agencies, (9) postretirement safe shutdown and
245 site protection costs that are incurred in preparation for
246 decommissioning, (10) decommissioning fund contributions, (11) the
247 costs of temporary electric generation facilities incurred pursuant to
248 section 16-19ss, (12) operating expenses for the Connecticut Electric
249 Authority and the Connecticut Energy Advisory Board, (13) costs
250 associated with the Connecticut electric efficiency partner program
251 established pursuant to section 16-243v, (14) reinvestments and
252 investments in energy efficiency programs and technologies pursuant
253 to section 16a-38l, costs associated with the electricity conservation
254 incentive program established pursuant to section 119 of public act 07-
255 242*, and (15) legal, appraisal and purchase costs of a conservation or
256 land use restriction and other related costs as the department in its
257 discretion deems appropriate, incurred by a municipality on or before
258 January 1, 2000, to ensure the environmental, recreational and scenic
259 preservation of any reservoir located within this state created by a
260 pump storage hydroelectric generating facility. As used in this
261 subsection, "displaced worker protection costs" means the reasonable
262 costs incurred, prior to January 1, 2008, (A) by an electric supplier,
263 exempt wholesale generator, electric company, an operator of a
264 nuclear power generating facility in this state or a generation entity or
265 affiliate arising from the dislocation of any employee other than an
266 officer, provided such dislocation is a result of (i) restructuring of the
267 electric generation market and such dislocation occurs on or after July
268 1, 1998, or (ii) the closing of a Title IV source or an exempt wholesale
269 generator, as defined in 15 USC 79z-5a, on or after January 1, 2004, as a
270 result of such source's failure to meet requirements imposed as a result
271 of sections 22a-197 and 22a-198, as amended by this act, and this
272 section or those Regulations of Connecticut State Agencies adopted by
273 the Department of Environmental Protection, as amended from time to
274 time, in accordance with Executive Order Number 19, issued on May
275 17, 2000, and provided further such costs result from either the
276 execution of agreements reached through collective bargaining for

277 union employees or from the company's or entity's or affiliate's
278 programs and policies for nonunion employees, and (B) by an electric
279 distribution company or an exempt wholesale generator arising from
280 the retraining of a former employee of an unaffiliated exempt
281 wholesale generator, which employee was involuntarily dislocated on
282 or after January 1, 2004, from such wholesale generator, except for
283 cause. "Displaced worker protection costs" includes costs incurred or
284 projected for severance, retraining, early retirement, outplacement,
285 coverage for surviving spouse insurance benefits and related expenses.
286 "Displaced worker protection costs" does not include those costs
287 included in determining a tax credit pursuant to section 12-217bb.

288 (b) The amount of the systems benefits charge shall be determined
289 by the department in a general and equitable manner and shall be
290 imposed on all end use customers of each electric distribution
291 company at a rate that is applied equally to all customers of the same
292 class in accordance with methods of allocation in effect on July 1, 1998,
293 provided the system benefits charge shall not be imposed on
294 customers receiving services under a special contract which is in effect
295 on July 1, 1998, until such special contracts expire. The system benefits
296 charge shall be imposed beginning on January 1, 2000, on all customers
297 receiving services under a special contract which are entered into or
298 renewed after July 1, 1998. The systems benefits charge shall have a
299 generally applicable manner of determination that may be measured
300 on the basis of percentages of total costs of retail sales of generation
301 services. The systems benefits charge shall be payable on an equal
302 basis on the same payment terms and shall be eligible or subject to
303 prepayment on an equal basis. Any exemption of the systems benefits
304 charge by customers under a special contract shall not result in an
305 increase in rates to any customer.

306 Sec. 508. (NEW) (*Effective October 1, 2010*) (a) Subject to the approval
307 of the State Bond Commission established pursuant to section 3-20 of
308 the general statutes, the authority may borrow money and issue bonds
309 and notes from time to time and use the proceeds thereof for the
310 purposes of implementing the provisions of the comprehensive plan

311 approved pursuant to section 16a-3a of the general statutes. All such
312 bonds issued by the authority, secured by a special capital reserve
313 fund within the meaning of subsection (b) of section 512 of this act,
314 shall be general obligations of the authority payable out of any
315 revenues or other receipts, funds or moneys of the authority, subject
316 only to any agreements with the holders of particular notes or bonds
317 pledging any particular revenues, receipts, funds or moneys, provided
318 the authority may issue general obligation bonds of the authority
319 without the security of a special capital reserve fund. Any other such
320 bonds or notes not issued in anticipation of the issuance of bonds
321 referred to in the preceding sentence shall be special obligations of the
322 authority payable solely out of any revenues or other receipts, funds or
323 moneys of the authority pledged therefore. All such notes and bonds
324 may be executed and delivered in such manner and at such times, in
325 such form and denominations and of such tenor and maturity or
326 maturities, in bearer or registered form, as to principal and interest or
327 as to principal alone, may be payable at such time or times not
328 exceeding forty years from the date thereof, may be payable at such
329 place or places whether within or without the state, may bear interest
330 at such rate or rates payable at such time or times and at such place or
331 places and evidenced in such manner, and may contain such
332 provisions not inconsistent with sections 508 to 513, inclusive, of this
333 act, as shall be provided in the resolution of the authority authorizing
334 the issuance of the bonds and notes.

335 (b) Issuance by the authority of one or more series of bonds or notes
336 for one or more purposes shall not preclude it from issuing other
337 bonds or notes in connection with the same project or any other
338 projects, but the proceeding wherein any subsequent bonds or notes
339 may be issued shall recognize and protect any prior pledge or
340 mortgage made for any prior issue of bonds or notes unless in the
341 resolution authorizing such prior issue the right is reserved to issue
342 subsequent bonds on a parity with such prior issue.

343 (c) Subject to the approval of the State Bond Commission
344 established pursuant to section 3-20 of the general statutes, any bonds

345 or notes of the authority may be sold at such price or prices, at public
346 or private sale, in such manner and from time to time as may be
347 determined by the authority, and the authority may pay all expenses,
348 premiums and commissions it may deem necessary or advantageous
349 in connection with the issuance and sale thereof; and any moneys of
350 the authority, including proceeds from the sale of any bonds and
351 notes, and revenues, receipts and income from any of its projects, may
352 be invested and reinvested in such obligations, securities and other
353 investments, including time deposits or certificates of deposit, or
354 deposited or redeposited in such bank or banks as shall be provided in
355 the resolution or resolutions authorizing the issuance of the bonds and
356 notes.

357 (d) The authority may issue its bonds for the purpose of refunding
358 any bonds of the authority then outstanding, including the payment of
359 any redemption premium thereon and any interest accrued or to
360 accrue to the earliest or subsequent date of redemption, purchase or
361 maturity of such bonds, and, if deemed advisable by the authority, for
362 the additional purpose of paying all or any part of the cost of
363 constructing and acquiring additions, improvements, extensions or
364 enlargements of a project or any portion thereof. The proceeds of any
365 such bonds issued for the purpose of refunding outstanding bonds
366 may, in the discretion of the authority, be applied to the purchase or
367 retirement at maturity or redemption of such outstanding bonds either
368 on their earliest or any subsequent redemption date, and may, pending
369 such application, be placed in escrow to be applied to such purchase or
370 retirement at maturity or redemption on such date as may be
371 determined by the authority.

372 (e) Whether or not the bonds or notes are of such form and character
373 as to be negotiable instruments under article 8 of title 42a of the
374 general statutes, the bonds or notes shall be and are hereby made
375 negotiable instruments within the meaning of and for all the purposes
376 of article 8 of said title 42a, subject only to the provisions of the bonds
377 or notes for registration.

(f) The principal of and interest on bonds or notes issued by the authority may be secured by a pledge of any revenues and receipts of the authority derived from any project and may be additionally secured by a mortgage or deed of trust covering all or any part of a project, including any additions, improvements, extensions to or enlargements of any projects thereafter made. Such bonds or notes may also be secured by a pledge or assignment of a loan agreement, conditional sale agreement or agreement of sale or by an assignment of the lease of any project for the construction and acquisition of which said bonds or notes are issued and by an assignment of the revenues and receipts derived by the authority from such project. The payments of principal and interest on such bonds or notes may be additionally secured by a pledge of any other property, revenues, moneys or funds available to the authority for such purpose. The resolution authorizing the issuance of any such bonds or notes and any such mortgage or deed of trust or lease or loan agreement, conditional sale agreement or agreement of sale or credit agreement may contain agreements and provisions respecting the establishment of reserves to secure such bonds or notes, the maintenance and insurance of the projects covered thereby, the fixing and collection of rents for any portion thereof leased by the authority to others or the sums to be paid under any conditional sale agreement or agreement of sale entered into by the authority with others, the creation and maintenance of special funds from such revenues and the rights and remedies available in the event of default, the vesting in a trustee or trustees of such property, rights, powers and duties in trust as the authority may determine, which may include any or all of the rights, powers and duties of any trustee appointed by the holders of any bonds and notes and limiting or abrogating the right of the holders of any bonds and notes of the authority to appoint a trustee under the provisions of sections 508 to 513, inclusive, of this act, or limiting the rights, powers and duties of such trustee; provision for a trust agreement by and between the authority and a corporate trust which may be any trust company or bank having the powers of a trust company within or without the state, which agreement may provide for the pledging or assigning of any revenues or assets or income from

413 assets to which or in which the authority has any rights or interest, and
414 may further provide for such other rights and remedies exercisable by
415 the trustee as may be proper for the protection of the holders of any
416 bonds or notes and not otherwise in violation of law, and such
417 agreement may provide for the restriction of the rights of any
418 individual holder of bonds or notes of the authority and may contain
419 any further provisions which are reasonable to delineate further the
420 respective rights, duties, safeguards, responsibilities and liabilities of
421 the authority; persons and collective holders of bonds or notes of the
422 authority and the trustee; and covenants to do or refrain from doing
423 such acts and things as may be necessary or convenient or desirable in
424 order to better secure any bonds or notes of the authority, or which, in
425 the discretion of the authority, will tend to make any bonds or notes to
426 be issued more marketable notwithstanding that such covenants, acts
427 or things may not be enumerated herein; and any other matters of like
428 or different character, which in any way affect the security or
429 protection of the bonds or notes, all as the authority shall deem
430 advisable and not in conflict with the provisions hereof. Each pledge,
431 agreement, mortgage and deed of trust made for the benefit or security
432 of any of the bonds or notes of the authority shall be in effect until the
433 principal of and interest on the bonds or notes for the benefit of which
434 the same were made have been fully paid, or until provision has been
435 made for payment in the manner provided in the resolution or
436 resolutions authorizing their issuance. Any pledge made in respect of
437 such bonds or notes shall be valid and binding from the time when the
438 pledge is made; the revenues, money or property so pledged and
439 thereafter received by the authority shall immediately be subject to the
440 lien of such pledge without any physical delivery thereof or further
441 act; and the lien of any such pledge shall be valid and binding as
442 against all parties having claims of any kind in tort, contract or
443 otherwise against the authority irrespective of whether such parties
444 have notice thereof. Neither the resolution, trust indenture nor any
445 other instrument by which a pledge is created need be recorded. The
446 resolution authorizing the issuance of such bonds or notes may
447 provide for the enforcement of any such pledge or security in any

448 lawful manner. The authority may elect to have the provisions of title
449 42a of the general statutes, the Connecticut Uniform Commercial Code,
450 apply to any pledge made by or to the authority to secure its bonds or
451 notes by filing a financing statement with respect to the security
452 interest created by the pledge and, in such case, the financing
453 statement shall be filed as if the debtor were located in this state.

454 (g) The authority may provide in any resolution authorizing the
455 issuance of bonds or notes that any project or part thereof or any
456 addition, improvement, extension or enlargement thereof, may be
457 constructed by the authority or the lessee or any designee of the
458 authority, and may also provide in such proceedings for the time and
459 manner of and requisites for disbursements to be made for the cost of
460 such construction and disbursements as the authority shall deem
461 necessary or appropriate.

462 (h) The authority is further authorized and empowered to issue
463 bonds, notes or other obligations under this section, the interest on
464 which may be includable in the gross income of the holder or holders
465 thereof under the Internal Revenue Code of 1986, or any subsequent
466 corresponding internal revenue code of the United States, as from time
467 to time amended, to the same extent and in the same manner that
468 interest on bills, notes, bonds or other obligations of the United States
469 is includable in the gross income of the holder or holders thereof under
470 any such internal revenue code. Any such bonds, notes or other
471 obligations may be issued only upon a finding by the authority that
472 such issuance is necessary, is in the public interest, and is in
473 furtherance of the purposes and powers of the authority. The state
474 hereby consents to such inclusion only for the bonds, notes or other
475 obligations of the authority so authorized.

476 Sec. 509. (NEW) (*Effective October 1, 2010*) (a) Except as provided in
477 subsection (b) of this section, all moneys of the Connecticut Electric
478 Authority, from whatever source derived, shall be paid to the
479 Treasurer as agent of the authority, who shall not commingle such
480 moneys with any other moneys. The Treasurer shall deposit such

481 moneys in a separate bank account or accounts. The moneys in such
482 accounts shall be paid by checks signed by the Treasurer or the Deputy
483 Treasurer appointed pursuant to section 3-12 of the general statutes, on
484 requisition of the chairperson or of such other officer or employee of
485 the authority as the authority shall authorize to make such requisition.
486 Notwithstanding the foregoing, the authority shall have power, subject
487 to the approval of the Treasurer or the Deputy Treasurer appointed
488 pursuant to said section 3-12, to contract with the holders of any of its
489 bonds or notes, as to the custody, collection, securing, investment and
490 payment of any moneys of the authority, or of any moneys held in
491 trust or otherwise for the payment of bonds or notes, and to carry out
492 such contracts. All moneys received pursuant to the authority of the
493 authority legislation pursuant to sections 508 to 513, inclusive, of this
494 act whether as proceeds from the sale of bonds or as revenues, receipts
495 or income, shall be deemed to be trust funds to be held and applied
496 solely as provided in said authority legislation and in the resolutions
497 authorizing the issuance of the bonds or notes. Any officer with whom,
498 or any bank or trust company with which, such moneys shall be
499 deposited as trustee thereof shall hold and apply the same for the
500 purposes thereof, subject to said provisions of the authority and the
501 resolution authorizing the issuance of bonds or notes or the trust
502 agreement securing such bonds or notes may provide.

503 (b) Any funds or revenues of the authority derived from application
504 fees, commitment fees or other fees or charges levied by the authority
505 in connection with its insurance and loan programs, any investment
506 income derived from funds held in trust or otherwise, which income is
507 not pledged to the payment of bonds or notes of the authority and any
508 other income of the authority from whatever source derived that is
509 available for the payment of authority expenses and any proceeds of
510 the foregoing shall be held, administered and invested by the authority
511 or deposited with and invested by such institution, trustee, fiduciary
512 or other custodian as may be designated by the authority and paid as
513 the authority shall direct.

514 Sec. 510. (NEW) (*Effective October 1, 2010*) The exercise of the powers

515 granted to the Connecticut Electric Authority in sections 508 to 513,
516 inclusive, of this act shall constitute the performance of an essential
517 governmental function and the authority shall not be required to pay
518 any taxes or assessments upon or in respect of a project, or any
519 property or moneys of the authority, levied by any municipality or
520 political subdivision or special district having taxing powers of the
521 state, nor shall the authority be required to pay state taxes of any kind,
522 and the authority, its projects, property and moneys and any bonds
523 and notes issued under the provisions of said sections, their transfer
524 and the income therefrom, including any profit made on the sale
525 thereof, shall at all times be free from taxation of every kind by the
526 state and by the municipalities and all other political subdivisions or
527 special districts having taxing powers of the state; provided any
528 person leasing a project from the authority shall pay to the
529 municipality, or other political subdivision or special district having
530 taxing powers, in which such project is located, a payment in lieu of
531 taxes which shall equal the taxes on real and personal property,
532 including water and sewer assessments, which such lessee would have
533 been required to pay had it been the owner of such property during
534 the period for which such payment is made and neither the authority
535 nor its projects, properties, money or bonds and notes shall be
536 obligated, liable or subject to lien of any kind for the enforcement,
537 collection or payment thereof. The sale of tangible personal property or
538 services by the authority is exempt from the sales tax under chapter
539 219 of the general statutes, and the storage, use or other consumption
540 in this state of tangible personal property or services purchased from
541 the authority is exempt from the use tax under said chapter 219. If and
542 to the extent the proceedings under which the bonds authorized to be
543 issued under the provisions of sections 508 to 513, inclusive, of this act
544 so provide, the authority may agree to cooperate with the lessee of a
545 project in connection with any administrative or judicial proceedings
546 for determining the validity or amount of such payments and may
547 agree to appoint or designate and reserve the right in and for such
548 lessee to take all action which the authority may lawfully take in
549 respect of such payments and all matters relating thereto, provided

550 such lessee shall bear and pay all costs and expenses of the authority
551 thereby incurred at the request of such lessee or by reason of any such
552 action taken by such lessee in behalf of the authority. Any lessee of a
553 project which has paid the amounts in lieu of taxes required by this
554 section to be paid shall not be required to pay any such taxes in which
555 a payment in lieu thereof has been made to the state or to any such
556 municipality or other political subdivision or special district having
557 taxing powers, any other statute to the contrary notwithstanding.

558 Sec. 511. (NEW) (*Effective October 1, 2010*) Bonds issued by the
559 Connecticut Electric Authority are hereby made securities in which all
560 public officers and public bodies of the state and its political
561 subdivisions, all insurance companies, credit unions, building and loan
562 associations, investment companies, savings banks, banking
563 associations, trust companies, executors, administrators, trustees and
564 other fiduciaries and pension, profit-sharing and retirement funds may
565 properly and legally invest funds, including capital in their control or
566 belonging to them. Such bonds are hereby made securities which may
567 properly and legally be deposited with and received by any state or
568 municipal officer or any agency or municipality of the state for any
569 purpose for which the deposit of bonds or obligations of the state is
570 now or may hereafter be authorized by law.

571 Sec. 512. (NEW) (*Effective October 1, 2010*) (a) Bonds or notes issued
572 by the Connecticut Electric Authority shall not be deemed to constitute
573 a debt or liability of the state or of any municipality thereof or a pledge
574 of the faith and credit of the state or of any such municipality and shall
575 not constitute bonds or notes issued or guaranteed by the state within
576 the meaning of section 3-21 of the general statutes, but shall be payable
577 solely from the revenues and funds herein provided for pursuant to
578 sections 508 to 513, inclusive, of this act. All such bonds or notes shall
579 contain on the face thereof a statement to the effect that neither the
580 state nor any municipality thereof other than the authority shall be
581 obligated to pay the same or the interest thereon and that neither the
582 faith and credit nor the taxing power of the state or of any municipality
583 is pledged to the payment of the principal of or the interest on such

584 bonds or notes.

585 (b) The authority may create and establish one or more reserve
586 funds to be known as special capital reserve funds and may pay into
587 such special capital reserve funds (1) any moneys appropriated and
588 made available by the state for the purposes of such funds, (2) any
589 proceeds of sale of notes or bonds, to the extent provided in the
590 resolution of the authority authorizing the issuance thereof, and (3)
591 any other moneys which may be made available to the authority for
592 the purpose of such funds from any other source or sources. The
593 moneys held in or credited to any special capital reserve fund
594 established under this section, except as hereinafter provided, shall be
595 used solely for the payment of the principal of bonds of the authority
596 secured by such special capital reserve fund as the same become due,
597 the purchase of such bonds of the authority, the payment of interest on
598 such bonds of the authority or the payment of any redemption
599 premium required to be paid when such bonds are redeemed before
600 maturity; provided the authority shall have power to provide that
601 moneys in any such fund shall not be withdrawn therefrom at any
602 time in such amount as would reduce the amount of such funds to less
603 than the maximum amount of principal and interest becoming due by
604 reason of maturity or a required sinking fund installment in the
605 succeeding calendar year on the bonds of the authority then
606 outstanding and secured by such special capital reserve fund or such
607 lesser amount specified by the authority in its resolution authorizing
608 the issuance of any such bonds, such amount being herein referred to
609 as the "required minimum capital reserve", except for the purpose of
610 paying such principal of, redemption premium and interest on such
611 bonds of the authority secured by such special capital reserve
612 becoming due and for the payment of which other moneys of the
613 authority are not available. The authority may provide that it shall not
614 issue bonds at any time if the required minimum capital reserve on the
615 bonds outstanding and the bonds then to be issued and secured by a
616 special capital reserve fund will exceed the amount of such special
617 capital reserve fund at the time of issuance, unless the authority, at the

618 time of the issuance of such bonds, shall deposit in such special capital
619 reserve fund from the proceeds of the bonds so to be issued, or
620 otherwise, an amount which, together with the amount then in such
621 special capital reserve fund, will be not less than the required
622 minimum capital reserve. On or before December first, annually, there
623 is deemed to be appropriated from the General Fund such sums, if
624 any, as shall be certified by the chairperson of the Connecticut Electric
625 Authority to the Secretary of the Office of Policy and Management and
626 State Treasurer, as necessary to restore each such special capital
627 reserve fund to the amount equal to the required minimum capital
628 reserve of such fund, and such amounts shall be allotted and paid to
629 the authority. For the purpose of evaluation of any such special capital
630 reserve fund, obligations acquired as an investment for any such fund
631 shall be valued at amortized cost. Nothing contained in this section
632 shall preclude the authority from establishing and creating other debt
633 service reserve funds in connection with the issuance of bonds or notes
634 of the authority. Subject to any agreement or agreements with holders
635 of outstanding notes and bonds of the authority, any amount or
636 amounts allotted and paid to the authority by the state pursuant to this
637 section shall be repaid to the state from moneys of the authority at
638 such time as such moneys are not required for any other of its
639 corporate purposes and in any event shall be repaid to the state on the
640 date one year after all bonds and notes of the authority theretofore
641 issued on the date or dates such amount or amounts are allotted and
642 paid to the authority or thereafter issued, together with interest on
643 such bonds and notes, with interest on any unpaid installments of
644 interest and all costs and expenses in connection with any action or
645 proceeding by or on behalf of the holders thereof, are fully met and
646 discharged. Notwithstanding any other provisions contained in said
647 sections, the aggregate amount of bonds secured by such special
648 capital reserve funds authorized to be created and established by this
649 section, shall not exceed four hundred fifty million dollars. Only
650 electric generation projects may be assisted or financed by such bonds
651 and the proceeds of such bonds shall not be used for such purpose
652 unless the authority is of the opinion and determines that the revenues

653 derived from the electric generation project or projects shall be
654 sufficient (A) to pay the applicable principal of and interest on the
655 bonds, the proceeds of which are used to finance the electric
656 generation project or projects, (B) to establish, increase and maintain
657 any reserves deemed by the authority to be advisable to secure the
658 payment of the principal of and interest on such bonds, (C) unless the
659 contract with a person obligates such person to pay for the
660 maintenance and insurance of the electric generation project, to pay the
661 cost of maintaining the electric generation project in good repair and
662 keeping it properly insured, and (D) to pay such other costs or taxes on
663 the electric generation project as may be required.

664 Sec. 513. (NEW) (*Effective October 1, 2010*) The state of Connecticut
665 does hereby pledge to and agree with the holders of any bonds and
666 notes issued under the provisions of sections 508 to 513, inclusive, of
667 this act, and with those parties who may enter into contracts with the
668 Connecticut Electric Authority or its successor agency, that the state
669 will not limit or alter the rights hereby vested in the authority until
670 such obligations, together with the interest thereon, are fully met and
671 discharged and such contracts are fully performed on the part of the
672 authority, provided nothing contained herein shall preclude such
673 limitation or alteration if and when adequate provision shall be made
674 by law for the protection of the holders of such bonds and notes of the
675 authority or those entering into such contracts with the authority. The
676 authority may include this pledge and undertaking for the state in
677 such bonds and notes or contracts.

678 Sec. 514. Subsection (c) of section 16-244c of the general statutes is
679 repealed and the following is substituted in lieu thereof (*Effective*
680 *October 1, 2009*):

681 (c) (1) On and after January 1, 2007, each electric distribution
682 company shall provide electric generation services through standard
683 service to any customer who (A) does not arrange for or is not
684 receiving electric generation services from an electric supplier, and (B)
685 does not use a demand meter or has a maximum demand of less than

686 five hundred kilowatts.

687 (2) Not later than October 1, 2006, and periodically as required by
688 subdivision (3) of this subsection, but not more often than every
689 calendar quarter, the Department of Public Utility Control shall
690 establish the standard service price for such customers pursuant to
691 subdivision (3) of this subsection. Each electric distribution company
692 shall recover the actual net costs of procuring and providing electric
693 generation services pursuant to this subsection, provided such
694 company mitigates the costs it incurs for the procurement of electric
695 generation services for customers who are no longer receiving service
696 pursuant to this subsection.

697 (3) An electric distribution company providing electric generation
698 services pursuant to this subsection shall mitigate the variation of the
699 price of the service offered to its customers by procuring electric
700 generation services contracts in the manner prescribed in a plan
701 approved by the department. Such plan shall require the procurement
702 of a portfolio of service contracts sufficient to meet the projected load
703 of the electric distribution company. Such plan shall require that the
704 portfolio of service contracts be procured in an overlapping pattern of
705 fixed periods at such times and in such manner and duration as the
706 department determines to be most likely to produce just, reasonable
707 and reasonably stable retail rates while reflecting underlying
708 wholesale market prices over time. The portfolio of contracts shall be
709 assembled in such manner as to invite competition; guard against
710 favoritism, improvidence, extravagance, fraud and corruption; and
711 secure a reliable electricity supply while avoiding unusual, anomalous
712 or excessive pricing. The portfolio of contracts procured under such
713 plan shall be for terms of not less than six months, provided contracts
714 for shorter periods may be procured under such conditions as the
715 department shall prescribe to (A) ensure the lowest rates possible for
716 end-use customers; (B) ensure reliable service under extraordinary
717 circumstances; and (C) ensure the prudent management of the contract
718 portfolio. An electric distribution company may receive a bid for an
719 electric generation services contract from any of its generation entities

720 or affiliates, provided such generation entity or affiliate submits its bid
721 the business day preceding the first day on which an unaffiliated
722 electric supplier may submit its bid and further provided the electric
723 distribution company and the generation entity or affiliate are in
724 compliance with the code of conduct established in section 16-244h.

725 (4) The [department] Connecticut Electric Authority, in consultation
726 with the Office of Consumer Counsel, shall retain the services of a
727 third-party entity with expertise in the area of energy procurement to
728 oversee the initial development of the request for proposals and the
729 procurement of contracts by an electric distribution company for the
730 provision of electric generation services offered pursuant to this
731 subsection. Costs associated with the retention of such third-party
732 entity shall be included in the cost of electric generation services that is
733 included in such price.

734 (5) Each bidder for a standard service contract shall submit its bid to
735 the electric distribution company and the third-party entity who shall
736 jointly review the bids, conduct a cost-based analysis of such bids and
737 submit an overview of all bids together with a joint recommendation
738 to the [department] authority as to the preferred bidders. The authority
739 shall make available to the Office of Consumer Counsel and the
740 Attorney General all bids it receives pursuant to this subsection,
741 provided the Office of Consumer Counsel and the Attorney General
742 shall not make the bids available to the public until the authority does
743 so pursuant to subdivision (6) of this subsection, except that the
744 Attorney General may share such information if such action is
745 necessary for any law enforcement purposes. The [department]
746 authority may, [within] not later than ten business days [of] after
747 submission of the overview, reject the recommendation regarding
748 preferred bidders if the bids are not in the best interest of the electric
749 distribution company's customers. In analyzing the bids, the authority
750 shall determine if they are consistent with the state's integrated
751 resource plan. In the event that the [department] authority rejects the
752 preferred bids, the [electric distribution company and the third-party]
753 authority entity shall rebid the service pursuant to this subdivision.

754 (6) Upon the authority's approval of the preferred bids, the electric
755 distribution company shall enter into contracts with approved bidders
756 in accordance with contract terms established by the authority. All bids
757 received by the authority during the procurement process shall be
758 available for public review three months after authority rejection
759 provided such information regarding the bidders not selected shall be
760 presented in a manner that conceals the identities of such bidders.

761 (7) Not later than October 1, 2010, and biennially thereafter, the
762 department shall conduct a contested case proceeding in accordance
763 with chapter 54 to review the efficacy of the contract procurement
764 process held pursuant to this subsection.

765 Sec. 515. (NEW) (*Effective October 1, 2009*) (a) The chairperson of the
766 Connecticut Electric Authority, with the consent of two or more other
767 members of the authority, shall appoint an executive director, who
768 shall be the chief administrative officer of the Connecticut Electric
769 Authority. Said chairperson shall supervise the executive director, who
770 shall serve for a four-year term and annually receive a salary equal to
771 that established for management pay plan salary group seventy-two
772 by the Commissioner of Administrative Services. The executive
773 director (1) shall conduct comprehensive planning with respect to the
774 functions of the authority; (2) shall coordinate the activities of the
775 authority; (3) shall cause the administrative organization of the
776 authority to be examined with a view to promoting economy and
777 efficiency; (4) may enter into such contractual agreements, in
778 accordance with established procedures, as may be necessary for the
779 discharge of his duties; and (5) may, subject to the provisions of section
780 4-32 of the general statutes, and unless otherwise provided by law,
781 receive any money, revenue or services from the federal government,
782 corporations, associations or individuals, including payments from the
783 sale of printed matter or any other material or services. The executive
784 director shall require the staff of the authority to have expertise in
785 public utility engineering and accounting, finance, economics,
786 computers and rate design. Within available funds in any fiscal year,
787 the executive director may appoint a secretary and may employ such

788 accountants, clerical assistants, engineers, inspectors, experts,
789 consultants and agents as the authority may require.

790 (b) No member of the authority or employee of the authority shall,
791 while serving as such, have any interest, financial or otherwise, direct
792 or indirect, or engage in any business, employment, transaction or
793 professional activity, or incur any obligation of any nature, which is in
794 substantial conflict with the proper discharge of his duties or
795 employment in the public interest and of his responsibilities as
796 prescribed in the laws of this state, as defined in section 1-85 of the
797 general statutes; provided no such substantial conflict shall be deemed
798 to exist solely by virtue of the fact that a member of the authority or
799 employee of the authority, or any business in which such a person has
800 an interest, receives utility service from one or more Connecticut
801 utilities under the normal rates and conditions of service.

802 (c) No member of the authority or employee of the authority shall
803 accept other employment that will either impair his independence of
804 judgment as to his official duties or employment or require him, or
805 induce him, to disclose confidential information acquired by him in the
806 course of and by reason of his official duties.

807 (d) No member of the authority or employee of the authority shall
808 wilfully and knowingly disclose, for pecuniary gain, confidential
809 information acquired in the course of and by reason of official duties or
810 employment or use any such information for the purpose of pecuniary
811 gain.

812 (e) No member of the authority or employee of the authority shall
813 agree to accept, or be in partnership or association with any person, or
814 a member of a professional corporation or in membership with any
815 union or professional association which partnership, association,
816 professional corporation, union or professional association agrees to
817 accept any employment, fee or other thing of value, or portion thereof,
818 in consideration of his appearing, agreeing to appear, or taking any
819 other action on behalf of another person before the authority, the

820 Connecticut Siting Council, the Office of Policy and Management or
821 the Commissioner of Environmental Protection.

822 (f) No member of the authority shall, for a period of one year
823 following the termination of his or her service as a member, accept
824 employment: (1) By a public service company or by any person, firm or
825 corporation engaged in lobbying activities with regard to
826 governmental regulation of public service companies; or (2) by an
827 electric supplier or by any person, firm or corporation engaged in
828 lobbying activities with regard to governmental regulation of electric
829 suppliers. No such member who is also an attorney shall in any
830 capacity, appear or participate in any matter, or accept any
831 compensation regarding a matter, before the authority, for a period of
832 one year following the termination of his or her service as a member.

833 Sec. 516. Section 16-4 of the general statutes is repealed and the
834 following is substituted in lieu thereof (*Effective October 1, 2009*):

835 No officer, employee, attorney or agent of any public service
836 company, of any certified telecommunications provider or of any
837 electric supplier shall be a member of the Public Utilities Control
838 Authority or the Connecticut Electric Authority or an employee of the
839 Department of Public Utility Control or the Connecticut Electric
840 Authority.

841 Sec. 517. Subsection (a) of section 16a-3 of the general statutes is
842 repealed and the following is substituted in lieu thereof (*Effective*
843 *October 1, 2009*):

844 (a) There is established a Connecticut Energy Advisory Board
845 consisting of [fifteen] sixteen members, including the Commissioner of
846 Environmental Protection, the chairperson of the Public Utilities
847 Control Authority, the chairperson of the Connecticut Electric
848 Authority, the Commissioner of Transportation, the Consumer
849 Counsel, the Commissioner of Agriculture, and the Secretary of the
850 Office of Policy and Management, or their respective designees. The
851 Governor shall appoint a representative of an environmental

852 organization knowledgeable in energy efficiency programs, a
853 representative of a consumer advocacy organization and a
854 representative of a state-wide business association. The president pro
855 tempore of the Senate shall appoint a representative of a chamber of
856 commerce, a representative of a state-wide manufacturing association
857 and a member of the public considered to be an expert in electricity,
858 generation, procurement or conservation programs. The speaker of the
859 House of Representatives shall appoint a representative of low-income
860 ratepayers, a representative of state residents, in general, with
861 expertise in energy issues and a member of the public considered to be
862 an expert in electricity, generation, procurement or conservation
863 programs. All appointed members shall serve in accordance with
864 section 4-1a. No appointee may be employed by, or a consultant of, a
865 public service company, as defined in section 16-1, or an electric
866 supplier, as defined in section 16-1, or an affiliate or subsidiary of such
867 company or supplier.

868 Sec. 518. Subsection (f) of section 22a-198 of the general statutes is
869 repealed and the following is substituted in lieu thereof (*Effective*
870 *October 1, 2009*):

871 (f) The Commissioner of Environmental Protection, in consultation
872 with the chairperson of the [Public Utilities Control] Connecticut
873 Electric Authority, may suspend the prohibition of subsection (b) of
874 this section for a Title IV source if it is determined that the application
875 of the prohibition established under subsection (b) of this section
876 adversely affects the ability to meet the reliability standards, as defined
877 by the New England Power Pool or its successor organization, and the
878 suspension thereof is intended to mitigate such reliability problems.
879 The Commissioner of Environmental Protection, in consultation with
880 the chairperson of the [Public Utilities Control] Connecticut Electric
881 Authority, shall specify in writing the reasons for such suspension and
882 the period of time that such suspension shall be in effect and shall
883 provide notice of such suspension at the time of issuance, or the next
884 business day, to the joint standing committees of the General
885 Assembly having cognizance of matters relating to the environment

886 and energy and technology. No such waiver shall last more than thirty
887 days. The commissioner may reissue additional waivers for such
888 source after said initial waiver has expired. Within ten days of receipt
889 of the commissioner's notice of suspension, the committees having
890 cognizance of matters relating to the environment and energy and
891 technology may hold a joint public hearing and meeting of the
892 committees to either modify or reject the commissioner's suspension
893 by a majority vote. If the committees do not meet, the commissioner's
894 suspension shall be deemed approved.

895 Sec. 519. Subsection (a) of section 4-65a of the general statutes is
896 repealed and the following is substituted in lieu thereof (*Effective*
897 *October 1, 2009*):

898 (a) There shall be an Office of Policy and Management which shall
899 be responsible for all aspects of state staff planning and analysis in the
900 areas of budgeting, management, planning, energy policy
901 determination and evaluation, except to the extent such policies are
902 delegated to the Connecticut Electric Authority, intergovernmental
903 policy, criminal and juvenile justice planning and program evaluation.
904 The department head shall be the Secretary of the Office of Policy and
905 Management, who shall be appointed by the Governor in accordance
906 with the provisions of sections 4-5, as amended by this act, 4-6, 4-7 and
907 4-8, with all the powers and duties therein prescribed. The Secretary of
908 the Office of Policy and Management shall be the employer
909 representative (1) in collective bargaining negotiations concerning
910 changes to the state employees retirement system and health and
911 welfare benefits, and (2) in all other matters involving collective
912 bargaining, including negotiation and administration of all collective
913 bargaining agreements and supplemental understandings between the
914 state and the state employee unions concerning all executive branch
915 employees except (A) employees of the Division of Criminal Justice,
916 and (B) faculty and professional employees of boards of trustees of
917 constituent units of the state system of higher education. The secretary
918 may designate a member of the secretary's staff to act as the employer
919 representative in the secretary's place.

920 Sec. 520. Subdivision (2) of subsection (e) of section 4a-57 of the
921 general statutes is repealed and the following is substituted in lieu
922 thereof (*Effective October 1, 2009*):

923 (2) Any purchase of or contract by the department for electric
924 generation services that are subject to competitive bidding and
925 competitive negotiations shall be conducted in cooperation with the
926 [Office of Policy and Management] Connecticut Electric Authority
927 pursuant to section 16a-14e.

928 Sec. 521. Section 16-19e of the general statutes is repealed and the
929 following is substituted in lieu thereof (*Effective October 1, 2009*):

930 (a) In the exercise of its powers under the provisions of this title, the
931 Department of Public Utility Control shall examine and regulate the
932 transfer of existing assets and franchises, the expansion of the plant
933 and equipment of existing public service companies, the operations
934 and internal workings of public service companies and the
935 establishment of the level and structure of rates in accordance with the
936 following principles: (1) That there is a clear public need for the service
937 being proposed or provided; (2) that the public service company shall
938 be fully competent to provide efficient and adequate service to the
939 public in that such company is technically, financially and
940 managerially expert and efficient; (3) that the department and all
941 public service companies shall perform all of their respective public
942 responsibilities with economy, efficiency and care for public safety and
943 energy security, and so as to promote economic development within
944 the state with consideration for energy and water conservation, energy
945 efficiency and the development and utilization of renewable sources of
946 energy and for the prudent management of the natural environment;
947 (4) that the level and structure of rates be sufficient, but no more than
948 sufficient, to allow public service companies to cover their operating
949 costs including, but not limited to, appropriate staffing levels, and
950 capital costs, to attract needed capital and to maintain their financial
951 integrity, and yet provide appropriate protection to the relevant public
952 interests, both existing and foreseeable which shall include, but not be

953 limited to, reasonable costs of security of assets, facilities and
954 equipment that are incurred solely for the purpose of responding to
955 security needs associated with the terrorist attacks of September 11,
956 2001, and the continuing war on terrorism; (5) that the level and
957 structure of rates charged customers shall reflect prudent and efficient
958 management of the franchise operation; and (6) that the rates, charges,
959 conditions of service and categories of service of the companies not
960 discriminate against customers which utilize renewable energy sources
961 or cogeneration technology to meet a portion of their energy
962 requirements.

963 (b) The Department of Public Utility Control shall promptly
964 undertake a separate, general investigation of, and shall hold at least
965 one public hearing on new pricing principles and rate structures for
966 electric companies and for gas companies to consider, without
967 limitation, long run incremental cost of marginal cost pricing, peak
968 load or time of day pricing and proposals for optimizing the utilization
969 of energy and restraining its wasteful use and encouraging energy
970 conservation, and any other matter with respect to pricing principles
971 and rate structures as the department shall deem appropriate. The
972 department shall determine whether existing or future rate structures
973 place an undue burden upon those persons of poverty status and shall
974 make such adjustment in the rate structure as is necessary or desirable
975 to take account of their indigency. The department shall require the
976 utilization of such new principles and structures to the extent that the
977 department determines that their implementation is in the public
978 interest and necessary or desirable to accomplish the purposes of this
979 provision without being unfair or discriminatory or unduly
980 burdensome or disruptive to any group or class of customers, and
981 determines that such principles and structures are capable of yielding
982 required revenues. In reviewing the rates and rate structures of electric
983 and gas companies, the department shall take into consideration
984 appropriate energy policies, including those of the state as expressed
985 in subsection (c) of this section. The authority shall issue its initial
986 findings on such investigation by December 1, 1976, and its final

987 findings and order by June 1, 1977; provided that after such final
988 findings and order are issued, the department shall at least once every
989 two years undertake such further investigations as it deems
990 appropriate with respect to new developments or desirable
991 modifications in pricing principles and rate structures and, after
992 holding at least one public hearing thereon, shall issue its findings and
993 order thereon.

994 (c) The Department of Public Utility Control shall consult at least
995 once each year with the Commissioner of Environmental Protection,
996 the Connecticut Siting Council, the Connecticut Electric Authority and
997 the Office of Policy and Management, so as to coordinate and integrate
998 its actions, decisions and policies pertaining to gas and electric
999 companies, so far as possible, with the actions, decisions and policies
1000 of said other agencies and instrumentalities in order to further the
1001 development and optimum use of the state's energy resources and
1002 conform to the greatest practicable extent with the state energy policy
1003 as stated in section 16a-35k, taking into account prudent management
1004 of the natural environment and continued promotion of economic
1005 development within the state. In the performance of its duties, the
1006 department shall take into consideration the energy policies of the
1007 state as expressed in this subsection and in any annual reports
1008 prepared or filed by such other agencies and instrumentalities, and
1009 shall defer, as appropriate, to any actions taken by such other agencies
1010 and instrumentalities on matters within their respective jurisdictions.

1011 (d) The Commissioner of Environmental Protection, the
1012 Commissioner of Economic and Community Development, the
1013 Connecticut Siting Council and the Office of Policy and Management
1014 shall be made parties to each proceeding on a rate amendment
1015 proposed by a gas, electric or electric distribution company based
1016 upon an alleged need for increased revenues to finance an expansion
1017 of capital equipment and facilities, and shall participate in such
1018 proceedings to the extent necessary. The Connecticut Electric
1019 Authority shall be made a party to such proceedings involving electric
1020 distribution companies.

1021 (e) The Department of Public Utility Control, in a proceeding on a
1022 rate amendment proposed by an electric distribution company based
1023 upon an alleged need for increased revenues to finance an expansion
1024 of the capacity of its electric distribution system, shall determine
1025 whether demand-side management would be more cost-effective in
1026 meeting any demand for electricity for which the increase in capacity is
1027 proposed.

1028 (f) The provisions of this section shall not apply to the regulation of
1029 a telecommunications service which is a competitive service, as
1030 defined in section 16-247a, or to a telecommunications service to which
1031 an approved plan for an alternative form of regulation applies,
1032 pursuant to section 16-247k.

1033 (g) The department may, upon application of any gas or electric
1034 public service company, which has, as part of its existing rate plan, an
1035 earnings sharing mechanism, modify such rate plan to allow the gas or
1036 electric public service company, after a hearing that is conducted as a
1037 contested case, in accordance with chapter 54, to include in its rates the
1038 reasonable costs of security of assets, facilities, and equipment, both
1039 existing and foreseeable, that are incurred solely for the purpose of
1040 responding to security needs associated with the terrorist attacks of
1041 September 11, 2001, and the continuing war on terrorism.

1042 Sec. 522. Subsection (m) of section 16-243m of the general statutes is
1043 repealed and the following is substituted in lieu thereof (*Effective*
1044 *October 1, 2009*):

1045 (m) An electric distribution company may not submit a proposal
1046 under this section on or after February 1, 2011. On or before January 1,
1047 2010, the [department] Connecticut Electric Authority shall submit a
1048 report, in accordance with section 11-4a, to the joint standing
1049 committee of the General Assembly having cognizance of matters
1050 relating to energy with a recommendation as to whether the period
1051 during which such company may submit proposals under this section
1052 should be extended.

1053 Sec. 523. Subsection (b) of section 16-244d of the general statutes is
1054 repealed and the following is substituted in lieu thereof (*Effective*
1055 *October 1, 2009*):

1056 (b) There shall be established a Consumer Education Advisory
1057 Council which shall advise the outreach program coordinator on the
1058 development and implementation of the outreach program until the
1059 termination of the standard offer under section 16-244c, as amended by
1060 this act. Membership of the advisory council shall be established by the
1061 Consumer Counsel not later than December 1, 1998, and shall include,
1062 but not be limited to, representatives of the Department of Public
1063 Utility Control, the Office of Consumer Counsel, the Office of the
1064 Attorney General, the Office of Policy and Management, the
1065 Connecticut Electric Authority, the Department of Environmental
1066 Protection, community and business organizations, consumer groups,
1067 including, but not limited to, a group that represents hardship
1068 customers, as defined in section 16-262c, electric distribution
1069 companies and electric suppliers. The advisory council shall determine
1070 the information to be distributed to customers as part of the education
1071 effort such as customers' rights and obligations in a restructured
1072 environment, how customers can exercise their right to participate in
1073 retail access, the types of electric suppliers expected to be licensed
1074 including the possibility of load aggregation, electric generation
1075 services options that will be available, the environmental
1076 characteristics of different types of generation facilities and other
1077 information determined by the advisory council to be necessary for
1078 customers. The advisory council shall advise the outreach program
1079 coordinator on the methods of distributing information in accordance
1080 with subsection (a) of this section and the timing of such distribution.
1081 The advisory council shall meet on a regular basis and report to the
1082 outreach program coordinator as it deems appropriate until
1083 termination of the advisory council's role upon the termination of the
1084 standard offer under section 16-244c, as amended by this act.

1085 Sec. 524. Subsection (d) of section 16a-48 of the general statutes is
1086 repealed and the following is substituted in lieu thereof (*Effective*

1087 October 1, 2009):

1088 (d) (1) The office, in consultation with the Department of Public
1089 Utility Control and the Connecticut Electric Authority, shall adopt
1090 regulations, in accordance with the provisions of chapter 54, to
1091 implement the provisions of this section and to establish minimum
1092 energy efficiency standards for the types of new products set forth in
1093 subsection (b) of this section. The regulations shall provide for the
1094 following minimum energy efficiency standards:

1095 (A) Commercial clothes washers shall meet the requirements shown
1096 in Table P-3 of section 1605.3 of the California Code of Regulations,
1097 Title 20: Division 2, Chapter 4, Article 4;

1098 (B) Commercial refrigerators and freezers shall meet the August 1,
1099 2004, requirements shown in Table A-6 of said California regulation;

1100 (C) Illuminated exit signs shall meet the version 2.0 product
1101 specification of the "Energy Star Program Requirements for Exit Signs"
1102 developed by the United States Environmental Protection Agency;

1103 (D) Large packaged air-conditioning equipment having not more
1104 than seven hundred sixty thousand BTUs per hour of capacity shall
1105 meet a minimum energy efficiency ratio of 10.0 for units using both
1106 electric heat and air conditioning or units solely using electric air
1107 conditioning, and 9.8 for units using both natural gas heat and electric
1108 air conditioning;

1109 (E) Large packaged air-conditioning equipment having not less than
1110 seven hundred sixty-one thousand BTUs per hour of capacity shall
1111 meet a minimum energy efficiency ratio of 9.7 for units using both
1112 electric heat and air conditioning or units solely using electric air
1113 conditioning, and 9.5 for units using both natural gas heat and electric
1114 air conditioning;

1115 (F) Low voltage dry-type distribution transformers shall meet or
1116 exceed the energy efficiency values shown in Table 4-2 of the National

1117 Electrical Manufacturers Association Standard TP-1-2002;

1118 (G) Torchiere lighting fixtures shall not consume more than one
1119 hundred ninety watts and shall not be capable of operating with lamps
1120 that total more than one hundred ninety watts;

1121 (H) Traffic signal modules shall meet the product specification of
1122 the "Energy Star Program Requirements for Traffic Signals" developed
1123 by the United States Environmental Protection Agency that took effect
1124 in February, 2001, except where the department, in consultation with
1125 the Commissioner of Transportation, determines that such
1126 specification would compromise safe signal operation;

1127 (I) Unit heaters shall not have pilot lights and shall have either
1128 power venting or an automatic flue damper;

1129 (J) On or after January 1, 2009, residential furnaces and boilers
1130 purchased by the state shall meet or exceed the following annual fuel
1131 utilization efficiency: (i) For gas and propane furnaces, ninety per cent
1132 annual fuel utilization efficiency, (ii) for oil furnaces, eighty-three per
1133 cent annual fuel utilization efficiency, (iii) for gas and propane hot
1134 water boilers, eighty-four per cent annual fuel utilization efficiency,
1135 (iv) for oil-fired hot water boilers, eighty-four per cent annual fuel
1136 utilization efficiency, (v) for gas and propane steam boilers, eighty-two
1137 per cent annual fuel utilization efficiency, (vi) for oil-fired steam
1138 boilers, eighty-two per cent annual fuel utilization efficiency, and (vii)
1139 for furnaces with furnace air handlers, an electricity ratio of not more
1140 than 2.0, except air handlers for oil furnaces with a capacity of less than
1141 ninety-four thousand BTUs per hour shall have an electricity ratio of
1142 2.3 or less;

1143 (K) On or after January 1, 2010, metal halide lamp fixtures designed
1144 to be operated with lamps rated greater than or equal to one hundred
1145 fifty watts but less than or equal to five hundred watts shall not
1146 contain a probe-start metal halide lamp ballast;

1147 (L) Single-voltage external AC to DC power supplies manufactured

1148 on or after January 1, 2008, shall meet the energy efficiency standards
1149 of table U-1 of section 1605.3 of the January 2006 California Code of
1150 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance
1151 Efficiency Regulations. This standard applies to single voltage AC to
1152 DC power supplies that are sold individually and to those that are sold
1153 as a component of or in conjunction with another product. This
1154 standard shall not apply to single voltage external AC to DC power
1155 supplies sold with products subject to certification by the United States
1156 Food and Drug Administration. A single-voltage external AC to DC
1157 power supply that is made available by a manufacturer directly to a
1158 consumer or to a service or repair facility after and separate from the
1159 original sale of the product requiring the power supply as a service
1160 part or spare part shall not be required to meet the standards in said
1161 table U-1 until five years after the effective dates indicated in the table;

1162 (M) On or after January 1, 2009, state regulated incandescent
1163 reflector lamps shall be manufactured to meet the minimum average
1164 lamp efficacy requirements for federally-regulated incandescent
1165 reflector lamps contained in 42 USC 6295(i)(1)(A). Each lamp shall
1166 indicate the date of manufacture;

1167 (N) On or after January 1, 2009, bottle-type water dispensers,
1168 commercial hot food holding cabinets, portable electric spas, walk-in
1169 refrigerators and walk-in freezers shall meet the efficiency
1170 requirements of section 1605.3 of the January 2006 California Code of
1171 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance
1172 Efficiency Regulations. On or after January 1, 2010, residential pool
1173 pumps shall meet said efficiency requirements;

1174 (O) On or after January 1, 2009, pool heaters shall meet the
1175 efficiency requirements of sections 1605.1 and 1605.3 of the January
1176 2006 California Code of Regulations, Title 20, Division 2, Chapter 4,
1177 Article 4: Appliance Efficiency Regulations.

1178 (2) Such efficiency standards, where in conflict with the State
1179 Building Code, shall take precedence over the standards contained in

1180 the Building Code. Not later than July 1, 2007, and biennially
1181 thereafter, the office, in consultation with the Department of Public
1182 Utility Control, shall review and increase the level of such efficiency
1183 standards by adopting regulations in accordance with the provisions
1184 of chapter 54 upon a determination that increased efficiency standards
1185 would serve to promote energy conservation in the state and would be
1186 cost-effective for consumers who purchase and use such new products,
1187 provided no such increased efficiency standards shall become effective
1188 within one year following the adoption of any amended regulations
1189 providing for such increased efficiency standards.

1190 (3) The office, in consultation with the Department of Public Utility
1191 Control, shall adopt regulations, in accordance with the provisions of
1192 chapter 54, to designate additional products to be subject to the
1193 provisions of this section and to establish efficiency standards for such
1194 products upon a determination that such efficiency standards (A)
1195 would serve to promote energy conservation in the state, (B) would be
1196 cost-effective for consumers who purchase and use such new products,
1197 and (C) that multiple products are available which meet such
1198 standards, provided no such efficiency standards shall become
1199 effective within one year following their adoption pursuant to this
1200 subdivision.

1201 Sec. 525. Section 16-246e of the general statutes is repealed and the
1202 following is substituted in lieu thereof (*Effective October 1, 2009*):

1203 (a) The Governor may designate the [Department of Public Utility
1204 Control] Connecticut Electric Authority as the agent of the state,
1205 subject only to the limitation under subsection (b) of this section, to
1206 conduct negotiations and perform all acts necessary to procure electric
1207 power capacity, power output from such capacity or both from any
1208 out-of-state electric power producer, to transmit it to within the state
1209 and to sell or resell it on a nonprofit basis for distribution within the
1210 state to electric companies, as defined in section 16-1, municipal
1211 electric utilities established under chapter 101, municipal electric
1212 energy cooperatives organized under chapter 101a, membership

1213 electric cooperatives organized under chapter 597 and such other
1214 persons or entities as may be designated by the [governor] Governor.
1215 The [department] authority, if designated as such agent, shall arrange
1216 for the sale or resale of such power on an equitable basis and in such
1217 manner as it finds will most effectively promote the objectives of this
1218 title, chapters 101, 101a and 597, and section 16a-35k, subject to any
1219 conditions or limitations imposed by the out-of-state electric power
1220 producer selling such power. The [department] authority, if so
1221 designated, may also enter into any contracts or other arrangements
1222 for the sale or resale of such power for transmission outside the state if
1223 such sale or resale is reasonably incidental to and furthers the needs of
1224 the state and the purposes of this section.

1225 (b) The [department] authority shall submit any final action it takes
1226 under subsection (a) of this section to the Governor, who may, not later
1227 than sixty days after such submission, disapprove such action by
1228 notifying the [department] authority in writing of such disapproval
1229 and the reasons for it.

1230 Sec. 526. (NEW) (*Effective July 1, 2009*) (a) The Department of Public
1231 Utility Control shall appoint and convene an Energy Conservation
1232 Management Board, which shall be within the department for
1233 administrative purposes only and shall include: (1) A representative of
1234 an environmental group knowledgeable in energy conservation
1235 programs; (2) the Consumer Counsel or the Consumer Counsel's
1236 designee; (3) the Attorney General or the Attorney General's designee;
1237 (4) the Commissioner of Environmental Protection or the
1238 commissioner's designee; (5) the Commissioner of Social Services or
1239 the commissioner's designee; (6) a representative of a state-wide
1240 manufacturing association; (7) a representative of a chamber of
1241 commerce; (8) a representative of a state-wide business association; (9)
1242 a representative of a state-wide retail organization; (10) a
1243 representative of a municipal electric energy cooperative created
1244 pursuant to chapter 101a of the general statutes; (11) two
1245 representatives, one each selected by the electric distribution
1246 companies in this state; (12) two representatives selected by the gas

1247 companies, as defined in section 16-1 of the general statutes, in this
1248 state; (13) a representative of residential customers; (14) a fuel oil
1249 dealer selected by the Independent Connecticut Petroleum
1250 Association; (15) a Connecticut propane dealer selected by the Propane
1251 Gas Association of New England; and (16) a representative of the
1252 Renewable Energy Investment Fund selected by such fund. The
1253 members of the Energy Conservation Management Board on June 30,
1254 2009, shall continue to serve on the board established pursuant to this
1255 section until the expiration of their current term. Members shall serve
1256 for a period of five years and may be reappointed. Representatives of
1257 the gas companies, electric distribution companies, municipal electric
1258 energy cooperative, fuel oil dealers, propane dealers and the
1259 Renewable Energy Investment Fund shall not vote on matters
1260 unrelated to their industry.

1261 (b) The Energy Conservation Management Board shall:

1262 (1) Advise the municipal electric energy cooperatives regarding
1263 programs developed pursuant to section 28 of this act and section 7-
1264 233y of the general statutes, as amended by this act;

1265 (2) Advise the natural gas utilities regarding programs developed
1266 pursuant to section 28 of this act and section 16-32f of the general
1267 statutes, as amended by this act;

1268 (3) Advise the electric distribution companies regarding programs
1269 developed pursuant to section 28 of this act and section 16-245m of the
1270 general statutes, as amended by this act;

1271 (4) Collaborate with the Department of Social Services regarding
1272 coordination of energy and weatherization assistance administered or
1273 funded by said department with conservation assistance available
1274 under the plan developed pursuant to section 28 of this act and
1275 sections 7-233y, 16-32f and 16-245m of the general statutes, as
1276 amended by this act;

1277 (5) Collaborate, in accordance with the provisions of subsection (d)

1278 of this section, with the Renewable Energy Investment Fund to
1279 examine opportunities to coordinate with the programs and activities
1280 funded by said fund pursuant to section 16-245n of the general
1281 statutes, as amended by this act, and with programs and activities
1282 developed pursuant to section 28 of this act and sections 7-233y, 16-32f
1283 and 16-245m of the general statutes, as amended by this act;

1284 (6) Oversee the administrator retained pursuant to subsection (c) of
1285 this section and the development and implementation of conservation
1286 assistance regarding deliverable fuels pursuant to section 28 of this act;

1287 (7) Facilitate, to the extent practicable, the coordination and
1288 integration of energy, conservation and renewable resources programs
1289 to simplify consumer access to integrated services of all available
1290 resources, minimize expenses in the administration of each program
1291 and reduce environmental impacts and security risks of energy in this
1292 state;

1293 (8) Conduct an annual public hearing regarding conservation plans
1294 and the implementation of such plans. All public comments shall be
1295 summarized for the purposes of consideration in the board's
1296 deliberations on future conservation plans;

1297 (9) Retain and direct expert consultants regarding the board's duties
1298 pursuant to section 28 of this act and sections 16-32f and 16-245m of
1299 the general statutes, as amended by this act;

1300 (10) Evaluate programs contained in the comprehensive
1301 conservation plan and pursuant to sections 16-32f and 16-245m of the
1302 general statutes, as amended by this act; and

1303 (11) Consolidate annual reports to the joint standing committees of
1304 the General Assembly having cognizance of matters relating to energy,
1305 the environment and commerce, documenting conservation and
1306 renewable resources program operations, pursuant to section 29 of this
1307 act and sections 7-233y, 16-32f, 16-245m and 16-245n of the general
1308 statutes, as amended by this act.

1309 (c) On or before January 1, 2010, to the extent funding is available,
1310 after issuing a request for proposals, the Energy Conservation
1311 Management Board shall select an administrator qualified to develop a
1312 conservation plan for deliverable fuel and to administer and
1313 implement conservation and energy efficiency programs for
1314 deliverable fuel customers. The board may enter into a contract with
1315 the administrator for a period not to exceed three years. The costs for
1316 such administrator shall be paid from the fuel oil conservation account
1317 established pursuant to section 27 of this act or any other funds as may
1318 become available for this purpose.

1319 (d) There shall be a joint committee of the Energy Conservation
1320 Management Board and the Renewable Energy Investments Board.
1321 Each board shall appoint members to such joint committee. The joint
1322 committee shall examine opportunities to coordinate the programs and
1323 activities funded by the Renewable Energy Investment Fund pursuant
1324 to section 16-245n of the general statutes, as amended by this act, with
1325 the programs and activities contained in the comprehensive
1326 conservation plan to reduce the long-term cost, environmental impacts
1327 and security risks of energy in the state.

1328 (e) As used in this section, sections 26 and 28 of this act and section
1329 16a-41a of the general statutes, as amended by this act, "deliverable
1330 fuel" includes fuel oil, propane, wood, coal and kerosene used for
1331 space heating or to heat hot water, and as used in this section "fuel oil"
1332 means the product designated by the American Society for Testing and
1333 Materials as "Specifications for Heating Oil D396-69", commonly
1334 known as number 2 heating oil, and grade number 4, grade number 5
1335 and grade number 6 fuel oil, provided such heating and fuel oils are
1336 used for purposes other than generating power to propel motor
1337 vehicles or for generating electricity.

1338 Sec. 527. (NEW) (*Effective July 1, 2009*) (a) There is established within
1339 the Energy Conservation Fund established pursuant to subsection (b)
1340 of section 16-245m of the general statutes, as amended by this act, a
1341 natural gas subaccount. The Energy Conservation and Management

1342 Board may receive any amount required by law to be deposited into
1343 the subaccount and may receive any federal or other funds as may
1344 become available for conservation and load management and
1345 renewable resources. Any balance remaining in such subaccount at the
1346 end of any fiscal year shall be carried forward in the fiscal year next
1347 succeeding. Disbursement from such subaccount shall be as authorized
1348 pursuant to the comprehensive conservation plan approved by the
1349 Department of Public Utility Control.

1350 (b) There is established a fuel oil conservation account, which shall
1351 be a separate, nonlapsing account within the restricted grant fund and
1352 shall be funded by annual revenue from the tax imposed by section 12-
1353 587 of the general statutes on the sale of petroleum products gross
1354 earnings that is in excess of said revenue collected during fiscal year
1355 2006, provided the amount of such revenue that shall be allocated to
1356 said account in the fiscal year commencing on and after July 1, 2009,
1357 shall not exceed five million dollars. Such amount shall be used for
1358 deliverable fuel programs contained in the comprehensive
1359 conservation plan for deliverable fuel allocations of joint programs and
1360 such administrative expenses as provided in such plan. The Energy
1361 Conservation Management Board shall notify the State Comptroller of
1362 an approved amount to be drawn from such account for the purposes
1363 of this act. Not later than two business days following notification by
1364 the board, the State Comptroller shall draw an order on the State
1365 Treasurer for payment of any such requested amount from the fund.

1366 (c) Each fiscal year, an amount equal to the annual revenue from the
1367 tax imposed by section 12-264 of the general statutes on the gross
1368 receipts of sales of all public services companies that is in excess of the
1369 revenue estimate for said tax that is approved by the General
1370 Assembly in the appropriations act for that fiscal year shall be
1371 deposited by the Comptroller in the natural gas subaccount, provided
1372 the amount of such excess revenue shall not exceed ten million dollars.
1373 Such amount shall be used for natural gas programs contained in the
1374 comprehensive conservation plan, natural gas allocations of joint
1375 programs and such administrative expenses as provided in such plan.

1376 Sec. 528. (NEW) (*Effective July 1, 2009*) (a) On October 1, 2009, and
1377 annually thereafter, (1) the deliverable fuels administrator regarding
1378 deliverable fuels; (2) the natural gas companies regarding natural gas;
1379 and (3) the electric distribution companies regarding electricity shall
1380 submit their recommendations for energy conservation to the
1381 Department of Public Utility Control, which shall include plans to
1382 integrate and coordinate conservation and renewable energy resources
1383 pursuant to subsection (b) of this section. Upon receipt of the
1384 recommendations, the department, in an uncontested proceeding, shall
1385 hold a public hearing and, after such hearing, approve, modify or
1386 reject the recommendations and consolidate the approved or modified
1387 recommendations into a comprehensive conservation plan.

1388 (b) Not less than sixty days before the submission of such
1389 recommendations, the deliverable fuels administrator, the gas
1390 companies and the electric distribution companies shall submit the
1391 recommendations to the Energy Conservation Management Board for
1392 review and comment. In its review of these recommendations, the
1393 board shall examine opportunities to offer integrated efficiency and
1394 renewable programs that save more than one fuel resource, or
1395 otherwise coordinate programs targeted at saving more than one fuel
1396 resource to ensure available conservation and renewable resources are
1397 integrated, to the extent practicable, to simplify consumer access to
1398 integrated services of all available resources, to minimize expenses in
1399 the administration of each program and to reduce environmental
1400 impacts and security risks of energy in the state. The board shall
1401 consult with the Connecticut Electric Authority regarding electricity
1402 programs to ensure that such programs are consistent with the goals of
1403 the integrated resource plan approved pursuant to section 16a-3a of
1404 the general statutes. Each program contained in the plan shall be
1405 reviewed by the electric distribution company and either accepted or
1406 rejected by the Energy Conservation Management Board prior to
1407 submission to the department for approval.

1408 (c) The comprehensive conservation plan approved by the
1409 department shall contain specific goals for reducing energy use in this

1410 state that are consistent with the integrated resource plan approved
1411 pursuant to section 16a-3a of the general statutes and shall contain a
1412 description of each program that is proposed to meet such goals, the
1413 amount of funds in the Energy Conservation and Load Management
1414 Fund established pursuant to subsection (b) of section 16-245m of the
1415 general statutes, as amended by this act, and, if applicable, other
1416 sources to be used for each program and an estimate of the systemic
1417 savings that will be achieved if such goals are met. Programs included
1418 in the plan shall be reviewed using cost-effectiveness testing that
1419 compares the value and payback period of program benefits to
1420 program costs to ensure that the programs contained in the
1421 comprehensive conservation plan will reduce customer bills for energy
1422 and obtain energy savings and system benefits, including mitigation of
1423 federally mandated congestion charges. The value of the program
1424 benefits shall be greater than the costs of the program. Any costs for
1425 joint programs shall be allocated equitably among the conservation
1426 programs. The plan shall give preference to electric efficiency and load
1427 management projects funded pursuant to section 16-245m of the
1428 general statutes, as amended by this act, that maximize the reduction
1429 of federally mandated congestion charges. The plan shall also provide
1430 for reimbursement for services provided by the deliverable fuels
1431 administrator and disbursements from the Energy Conservation and
1432 Load Management Fund established pursuant to section 16-245m of
1433 the general statutes, as amended by this act, to develop and carry out
1434 the comprehensive conservation plan, including the retention of expert
1435 consultants and the board's reasonable administrative costs. No
1436 consultant shall be employed by, or have any contractual relationship
1437 with, an electric distribution company, gas company or deliverable
1438 fuel company or the administrator. Such board consultants and the
1439 board's administrative costs shall not exceed five per cent of the total
1440 cost of the plan. Program cost-effectiveness shall be reviewed annually,
1441 or otherwise as is practicable. If a program is determined to fail the
1442 cost-effectiveness test as part of the review process, it shall be modified
1443 to meet the test or terminated.

1444 (d) Programs included in the comprehensive conservation plan may
1445 include, but not be limited to: (1) Conservation programs, including
1446 programs that benefit low-income persons; (2) commercialization of
1447 products or processes that are more energy-efficient than those
1448 generally available; (3) development of markets for such products and
1449 processes; (4) support for energy use assessment, real-time monitoring
1450 systems, engineering studies and services related to new construction
1451 or major building renovations; (5) program planning and evaluation;
1452 (6) joint fuel conservation initiatives and programs targeted at saving
1453 more than one fuel resource; (7) promotion of practices to optimize
1454 efficiency; (8) assistance in meeting state climate change and
1455 environmental and public health goals; (9) promotion of sustainable
1456 economic development and employment; (10) public education
1457 regarding conservation; and (11) demand-side technology programs
1458 recommended by the procurement plan approved by the Department
1459 of Public Utility Control pursuant to section 16a-3a of the general
1460 statutes. Support may be by direct funding, manufacturers' rebates,
1461 sale price and loan subsidies, leases and promotional and educational
1462 activities.

1463 Sec. 529. (NEW) (*Effective July 1, 2009*) On or before March 1, 2010,
1464 and annually thereafter, the Energy Conservation and Management
1465 Board shall provide a consolidated report documenting conservation
1466 and renewable resource program operation and activities developed
1467 pursuant to section 528 of this act and sections 7-233y, 16-32f, 16-245m
1468 and 16-245n of the general statutes, as amended by this act, in
1469 accordance with the provisions of section 11-4a of the general statutes,
1470 to the joint standing committees of the General Assembly having
1471 cognizance of matters relating to energy, the environment and
1472 commerce. The report shall document: (1) Expenditures and funding
1473 for such programs; (2) program integration, including the extent to and
1474 manner in which such board collaborated and cooperated with
1475 municipal electric energy cooperative programs established pursuant
1476 to section 7-233y of the general statutes, as amended by this act, the
1477 Department of Social Services programs, and the joint or collaborative

1478 activities with the Renewable Energy Investment Fund established
1479 pursuant to section 16-245n of the general statutes, as amended by this
1480 act; (3) evaluation of the cost-effectiveness of conservation programs
1481 and activities conducted in the preceding year, including any increased
1482 cost-effectiveness, including reduced administrative expenses,
1483 achieved by offering programs that save more than one fuel resource
1484 and integrating programs; (4) the extent to which plan goals and
1485 systemic savings were achieved for reducing energy use in the state;
1486 and (5) in detail, the activities of the Renewable Energy Investment
1487 Fund. Any costs for the consolidated annual reports shall be allocated
1488 equitably among the entities with responsibility for such reports.

1489 Sec. 530. Section 7-233y of the general statutes is repealed and the
1490 following is substituted in lieu thereof (*Effective July 1, 2009*):

1491 (a) Each municipal electric utility created pursuant to chapter 101 or
1492 by special act shall, for investment in renewable energy sources and
1493 for conservation and load management programs pursuant to this
1494 section, accrue from each kilowatt hour of its metered firm electric
1495 retail sales, exclusive of such sales to United States government naval
1496 facilities in this state, no less than the following amounts during the
1497 following periods, in a manner conforming to the requirement of this
1498 section: (1) 1.0 mills on and after January 1, 2006; (2) 1.3 mills on and
1499 after January 1, 2007; (3) 1.6 mills on and after January 1, 2008; (4) 1.9
1500 mills on and after January 1, 2009; (5) 2.2 mills on and after January 1,
1501 2010; and (6) 2.5 mills on and after January 1, 2011.

1502 (b) There is hereby created a municipal energy conservation and
1503 load management fund in each municipal electric energy cooperative
1504 created pursuant to this chapter, which fund shall be a separate and
1505 dedicated fund to be held and administered by such cooperative. The
1506 fund may receive an amount required by law to be deposited into the
1507 fund and may receive any federal or other funds as may become
1508 available for conservation and load management and renewable
1509 resources. Each municipal electric utility created pursuant to chapter
1510 101 or by special act that is a member or participant in such a

1511 municipal electric energy cooperative shall accrue and deposit such
1512 amounts as specified in subsection (a) of this section into such fund.
1513 Any balance remaining in the fund at the end of any fiscal year shall be
1514 carried forward in the fiscal year next succeeding. Disbursements from
1515 the fund shall be made pursuant to the comprehensive electric
1516 conservation and load management plan prepared by the cooperative
1517 in accordance with subsection (c) of this section.

1518 (c) Such cooperative shall, annually, adopt a comprehensive plan for
1519 the expenditure of such funds by the cooperative on behalf of such
1520 municipal electric utilities for the purpose of carrying out electric
1521 conservation, investments in renewable energy sources, energy
1522 efficiency and electric load management programs funded by the
1523 charge accrued pursuant to subsection (a) of this section. The
1524 cooperative shall expend or cause to be expended the amounts held in
1525 such fund in conformity with the adopted plan. The plan may direct
1526 the expenditure of funds on facilities or measures located in any one or
1527 more of the service areas of the municipal electric utilities who are
1528 members or participants in such cooperative and may provide for the
1529 establishment of goals and standards for measuring the cost
1530 effectiveness of expenditures made from such fund, for the
1531 minimization of federally mandated congestion charges and for
1532 achieving appropriate geographic coverage and scope in each such
1533 service area. Such plan shall be consistent with the comprehensive
1534 plan of the Energy Conservation Management Board established under
1535 section [16-245m] 28 of this act. Such cooperative, annually, shall
1536 submit its plan to such board for review and provide documentation
1537 and information for the consolidated report prepared by the Energy
1538 and Conservation Management Board pursuant to section 529 of this
1539 act.

1540 Sec. 531. Section 16-32f of the general statutes is repealed and the
1541 following is substituted in lieu thereof (*Effective July 1, 2009*):

1542 (a) On or before October first of each even-numbered year, a gas
1543 company, as defined in section 16-1, shall furnish a report to the

1544 Department of Public Utility Control containing a five-year forecast of
1545 loads and resources. The report shall describe the facilities and supply
1546 sources that, in the judgment of such gas company, will be required to
1547 meet gas demands during the forecast period. The report shall be
1548 made available to the public and shall be furnished to the Energy
1549 Conservation Management Board, the chief executive officer of each
1550 municipality in the service area of such gas company, the regional
1551 planning agency which encompasses each such municipality, the
1552 Attorney General, the president pro tempore of the Senate, the speaker
1553 of the House of Representatives, the joint standing [committee]
1554 committees of the General Assembly having cognizance of matters
1555 relating to [public utilities] energy, the environment and commerce,
1556 any other member of the General Assembly making a request to the
1557 department for the report and such other state and municipal entities
1558 as the department may designate by regulation. The report shall
1559 include: (1) A tabulation of estimated peak loads and resources for
1560 each year; (2) data on gas use and peak loads for the five preceding
1561 calendar years; (3) a list of present and projected gas supply sources;
1562 (4) specific measures to control load growth and promote conservation;
1563 and (5) such other information as the department may require by
1564 regulation. A full description of the methodology used to arrive at the
1565 forecast of loads and resources shall also be furnished to the
1566 department. The department shall hold a public hearing on such
1567 reports upon the request of any person. On or before August first of
1568 each odd-numbered year, the department may request a gas company
1569 to furnish to the department an updated report. A gas company shall
1570 furnish any such updated report not later than sixty days following the
1571 request of the department.

1572 (b) [Not later than October 1, 2005, and annually thereafter] On or
1573 before October first of each year, a gas company, as defined in section
1574 16-1, shall submit to the Energy Conservation Management Board and
1575 the Department of Public Utility Control a gas conservation plan, in
1576 accordance with the provisions of [this] section [, to implement cost-
1577 effective energy conservation programs and market transformation

1578 initiatives. All supply and conservation and load management options
1579 shall be evaluated and selected within an integrated supply and
1580 demand planning framework. Such plan shall be funded during each
1581 state fiscal year by the revenue from the tax imposed by section 12-264
1582 on the gross receipts of sales of all public services companies that is in
1583 excess of the revenue estimate for said tax that is approved by the
1584 General Assembly in the appropriations act for such fiscal year,
1585 provided the amount of such excess revenue that shall be allocated to
1586 fund such plan in any state fiscal year shall not exceed ten million
1587 dollars. Before the accounts for the General Fund have been closed for
1588 each fiscal year, such excess revenue shall be deposited by the
1589 Comptroller in an account held by the Energy Conservation
1590 Management Board, established pursuant to section 16-245m. Services
1591 provided under the plan shall be available to all gas company
1592 customers. Each gas company shall apply to the Energy Conservation
1593 Management Board for reimbursement for expenditures pursuant to
1594 the plan. The department shall, in an uncontested proceeding during
1595 which the department may hold a public hearing, approve, modify or
1596 reject the plan] 528 of this act.

1597 [(c) (1) The Energy Conservation Management Board shall advise
1598 and assist each such gas company in the development and
1599 implementation of the plan submitted under subsection (b) of this
1600 section. Each program contained in the plan shall be reviewed by each
1601 such gas company and shall be either accepted, modified or rejected by
1602 the Energy Conservation Management Board before submission of the
1603 plan to the department for approval. The Energy Conservation
1604 Management Board shall, as part of its review, examine opportunities
1605 to offer joint programs providing similar efficiency measures that save
1606 more than one fuel resource or to otherwise coordinate programs
1607 targeted at saving more than one fuel resource. Any costs for joint
1608 programs shall be allocated equitably among the conservation
1609 programs.

1610 (2) Programs included in the plan shall be screened through cost-
1611 effectiveness testing that compares the value and payback period of

1612 program benefits to program costs to ensure that the programs are
1613 designed to obtain gas savings whose value is greater than the costs of
1614 the program. Program cost-effectiveness shall be reviewed annually by
1615 the department, or otherwise as is practicable. If the department
1616 determines that a program fails the cost-effectiveness test as part of the
1617 review process, the program shall either be modified to meet the test
1618 or be terminated. On or before January 1, 2007, and annually
1619 thereafter, the board shall provide a report, in accordance with the
1620 provisions of section 11-4a, to the joint standing committees of the
1621 General Assembly having cognizance of matters relating to energy and
1622 the environment, that documents expenditures and funding for such
1623 programs and evaluates the cost-effectiveness of such programs
1624 conducted in the preceding year, including any increased cost-
1625 effectiveness owing to offering programs that save more than one fuel
1626 resource.

1627 (3) Programs included in the plan may include, but are not limited
1628 to: (A) Conservation and load management programs, including
1629 programs that benefit low-income individuals; (B) research,
1630 development and commercialization of products or processes that are
1631 more energy-efficient than those generally available; (C) development
1632 of markets for such products and processes; (D) support for energy use
1633 assessment, engineering studies and services related to new
1634 construction or major building renovations; (E) the design,
1635 manufacture, commercialization and purchase of energy-efficient
1636 appliances, air conditioning and heating devices; (F) program planning
1637 and evaluation; (G) joint fuel conservation initiatives and programs
1638 targeted at saving more than one fuel resource; and (H) public
1639 education regarding conservation. Such support may be by direct
1640 funding, manufacturers' rebates, sale price and loan subsidies, leases
1641 and promotional and educational activities. The plan shall also provide
1642 for expenditures by the Energy Conservation Management Board for
1643 the retention of expert consultants and reasonable administrative costs,
1644 provided such consultants shall not be employed by, or have any
1645 contractual relationship with, a gas company. Such costs shall not

1646 exceed five per cent of the total cost of the plan.]

1647 (c) Annually, each gas company shall provide documentation and
1648 information for the consolidated report prepared by the Energy
1649 Conservation Management Board pursuant to section 529 of this act.

1650 Sec. 532. Section 16-245m of the general statutes is repealed and the
1651 following is substituted in lieu thereof (*Effective July 1, 2009*):

1652 (a) [(1)] On and after January 1, 2000, the Department of Public
1653 Utility Control shall assess or cause to be assessed a charge of three
1654 mills per kilowatt hour of electricity sold to each end use customer of
1655 an electric distribution company to be used to implement the program
1656 as provided in this section for conservation and load management
1657 programs but not for the amortization of costs incurred prior to July 1,
1658 1997, for such conservation and load management programs.

1659 [(2) Notwithstanding the provisions of this section, receipts from
1660 such charge shall be disbursed to the resources of the General Fund
1661 during the period from July 1, 2003, to June 30, 2005, unless the
1662 department shall, on or before October 30, 2003, issue a financing order
1663 for each affected electric distribution company in accordance with
1664 sections 16-245e to 16-245k, inclusive, to sustain funding of
1665 conservation and load management programs by substituting an
1666 equivalent amount, as determined by the department in such financing
1667 order, of proceeds of rate reduction bonds for disbursement to the
1668 resources of the General Fund during the period from July 1, 2003, to
1669 June 30, 2005. The department may authorize in such financing order
1670 the issuance of rate reduction bonds that substitute for disbursement to
1671 the General Fund for receipts of both the charge under this subsection
1672 and under subsection (b) of section 16-245n and also may, in its
1673 discretion, authorize the issuance of rate reduction bonds under this
1674 subsection and subsection (b) of section 16-245n that relate to more
1675 than one electric distribution company. The department shall, in such
1676 financing order or other appropriate order, offset any increase in the
1677 competitive transition assessment necessary to pay principal,

1678 premium, if any, interest and expenses of the issuance of such rate
1679 reduction bonds by making an equivalent reduction to the charge
1680 imposed under this subsection, provided any failure to offset all or any
1681 portion of such increase in the competitive transition assessment shall
1682 not affect the need to implement the full amount of such increase as
1683 required by this subsection and by sections 16-245e to 16-245k,
1684 inclusive. Such financing order shall also provide if the rate reduction
1685 bonds are not issued, any unrecovered funds expended and committed
1686 by the electric distribution companies for conservation and load
1687 management programs, provided such expenditures were approved
1688 by the department after August 20, 2003, and prior to the date of
1689 determination that the rate reduction bonds cannot be issued, shall be
1690 recovered by the companies from their respective competitive
1691 transition assessment or systems benefits charge but such expenditures
1692 shall not exceed four million dollars per month. All receipts from the
1693 remaining charge imposed under this subsection, after reduction of
1694 such charge to offset the increase in the competitive transition
1695 assessment as provided in this subsection, shall be disbursed to the
1696 Energy Conservation and Load Management Fund commencing as of
1697 July 1, 2003. Any increase in the competitive transition assessment or
1698 decrease in the conservation and load management component of an
1699 electric distribution company's rates resulting from the issuance of or
1700 obligations under rate reduction bonds shall be included as rate
1701 adjustments on customer bills.]

1702 (b) The electric distribution company shall establish an Energy
1703 Conservation and Load Management Fund which shall be held
1704 separate and apart from all other funds or accounts. The fund may
1705 receive any amount required by law to be deposited into the fund and
1706 may receive any federal or other funds as may become available for
1707 conservation and load management and renewable resources. Receipts
1708 from the charge imposed under subsection (a) of this section shall be
1709 deposited into the fund. Any balance remaining in the fund at the end
1710 of any fiscal year shall be carried forward in the fiscal year next
1711 succeeding. Disbursements from the fund or its subaccount by electric

1712 distribution companies to carry out the plan developed under
1713 [subsection (d) of this] section 528 of this act shall be authorized by the
1714 Department of Public Utility Control upon its approval of such plan.

1715 [(c) The Department of Public Utility Control shall appoint and
1716 convene an Energy Conservation Management Board which shall
1717 include representatives of: (1) An environmental group knowledgeable
1718 in energy conservation program collaboratives; (2) the Office of
1719 Consumer Counsel; (3) the Attorney General; (4) the Department of
1720 Environmental Protection; (5) the electric distribution companies in
1721 whose territories the activities take place for such programs; (6) a state-
1722 wide manufacturing association; (7) a chamber of commerce; (8) a
1723 state-wide business association; (9) a state-wide retail organization;
1724 (10) a representative of a municipal electric energy cooperative created
1725 pursuant to chapter 101a; (11) two representatives selected by the gas
1726 companies in this state; and (12) residential customers. Such members
1727 shall serve for a period of five years and may be reappointed.
1728 Representatives of the gas companies shall not vote on matters
1729 unrelated to gas conservation. Representatives of the electric
1730 distribution companies and the municipal electric energy cooperative
1731 shall not vote on matters unrelated to electricity conservation.]

1732 (c) On or before October first of each year, an electric distribution
1733 company shall submit to the Energy Conservation Management Board
1734 and the Department of Public Utility Control a conservation plan in
1735 accordance with the provisions of section 528 of this act.

1736 [(d) (1) The Energy Conservation Management Board shall advise
1737 and assist the electric distribution companies in the development and
1738 implementation of a comprehensive plan, which plan shall be
1739 approved by the Department of Public Utility Control, to implement
1740 cost-effective energy conservation programs and market
1741 transformation initiatives. Each program contained in the plan shall be
1742 reviewed by the electric distribution company and either accepted or
1743 rejected by the Energy Conservation Management Board prior to
1744 submission to the department for approval. The Energy Conservation

1745 Management Board shall, as part of its review, examine opportunities
1746 to offer joint programs providing similar efficiency measures that save
1747 more than one fuel resource or otherwise to coordinate programs
1748 targeted at saving more than one fuel resource. Any costs for joint
1749 programs shall be allocated equitably among the conservation
1750 programs. The Energy Conservation Management Board shall give
1751 preference to projects that maximize the reduction of federally
1752 mandated congestion charges. The Department of Public Utility
1753 Control shall, in an uncontested proceeding during which the
1754 department may hold a public hearing, approve, modify or reject the
1755 comprehensive plan prepared pursuant to this subsection.

1756 (2) There shall be a joint committee of the Energy Conservation
1757 Management Board and the Renewable Energy Investments Board.
1758 The board and the advisory committee shall each appoint members to
1759 such joint committee. The joint committee shall examine opportunities
1760 to coordinate the programs and activities funded by the Renewable
1761 Energy Investment Fund pursuant to section 16-245n with the
1762 programs and activities contained in the plan developed under this
1763 subsection to reduce the long-term cost, environmental impacts and
1764 security risks of energy in the state. Such joint committee shall hold its
1765 first meeting on or before August 1, 2005.

1766 (3) Programs included in the plan developed under subdivision (1)
1767 of this subsection shall be screened through cost-effectiveness testing
1768 which compares the value and payback period of program benefits to
1769 program costs to ensure that programs are designed to obtain energy
1770 savings and system benefits, including mitigation of federally
1771 mandated congestion charges, whose value is greater than the costs of
1772 the programs. Cost-effectiveness testing shall utilize available
1773 information obtained from real-time monitoring systems to ensure
1774 accurate validation and verification of energy use. Such testing shall
1775 include an analysis of the effects of investments on increasing the
1776 state's load factor. Program cost-effectiveness shall be reviewed
1777 annually, or otherwise as is practicable. If a program is determined to
1778 fail the cost-effectiveness test as part of the review process, it shall

1779 either be modified to meet the test or shall be terminated. On or before
1780 March 1, 2005, and on or before March first annually thereafter, the
1781 board shall provide a report, in accordance with the provisions of
1782 section 11-4a, to the joint standing committees of the General
1783 Assembly having cognizance of matters relating to energy and the
1784 environment (A) that documents expenditures and fund balances and
1785 evaluates the cost-effectiveness of such programs conducted in the
1786 preceding year, and (B) that documents the extent to and manner in
1787 which the programs of such board collaborated and cooperated with
1788 programs, established under section 7-233y, of municipal electric
1789 energy cooperatives. To maximize the reduction of federally mandated
1790 congestion charges, programs in the plan may allow for
1791 disproportionate allocations between the amount of contributions to
1792 the Energy Conservation and Load Management Funds by a certain
1793 rate class and the programs that benefit such a rate class. Before
1794 conducting such evaluation, the board shall consult with the
1795 Renewable Energy Investments Board. The report shall include a
1796 description of the activities undertaken during the reporting period
1797 jointly or in collaboration with the Renewable Energy Investment
1798 Fund established pursuant to subsection (c) of section 16-245n.

1799 (4) Programs included in the plan developed under subdivision (1)
1800 of this subsection may include, but not be limited to: (A) Conservation
1801 and load management programs, including programs that benefit low-
1802 income individuals; (B) research, development and commercialization
1803 of products or processes which are more energy-efficient than those
1804 generally available; (C) development of markets for such products and
1805 processes; (D) support for energy use assessment, real-time monitoring
1806 systems, engineering studies and services related to new construction
1807 or major building renovation; (E) the design, manufacture,
1808 commercialization and purchase of energy-efficient appliances and
1809 heating, air conditioning and lighting devices; (F) program planning
1810 and evaluation; (G) indoor air quality programs relating to energy
1811 conservation; (H) joint fuel conservation initiatives programs targeted
1812 at reducing consumption of more than one fuel resource; (I) public

1813 education regarding conservation; and (J) the demand-side technology
1814 programs recommended by the procurement plan approved by the
1815 Department of Public Utility Control pursuant to section 16a-3a. Such
1816 support may be by direct funding, manufacturers' rebates, sale price
1817 and loan subsidies, leases and promotional and educational activities.
1818 The plan shall also provide for expenditures by the Energy
1819 Conservation Management Board for the retention of expert
1820 consultants and reasonable administrative costs provided such
1821 consultants shall not be employed by, or have any contractual
1822 relationship with, an electric distribution company. Such costs shall
1823 not exceed five per cent of the total revenue collected from the
1824 assessment.]

1825 (d) Each electric distribution company annually shall provide
1826 documentation and information for the consolidated report prepared
1827 by the Energy Conservation Management Board pursuant to section
1828 529 of this act.

1829 (e) Notwithstanding the provisions of subsections (a) to (d),
1830 inclusive, of this section, the Department of Public Utility Control shall
1831 authorize the disbursement of a total of one million dollars in each
1832 month, commencing with July, 2003, and ending with July, 2005, from
1833 the Energy Conservation and Load Management Funds established
1834 pursuant to said subsections. The amount disbursed from each Energy
1835 Conservation and Load Management Fund shall be proportionately
1836 based on the receipts received by each fund. Such disbursements shall
1837 be deposited in the General Fund.

1838 (f) No later than December 31, 2006, and no later than December
1839 thirty-first every five years thereafter, the Energy Conservation
1840 Management Board shall, after consulting with the Renewable Energy
1841 Investments Board, conduct an evaluation of the performance of the
1842 programs and activities of the fund and submit a report, in accordance
1843 with the provisions of section 11-4a, of the evaluation to the joint
1844 standing committee of the General Assembly having cognizance of
1845 matters relating to energy.

1846 (g) Repealed by P.A. 06-186, S. 91, effective July 1, 2006.

1847 Sec. 533. Section 16-245n of the general statutes is repealed and the
1848 following is substituted in lieu thereof (*Effective July 1, 2009*):

1849 (a) For purposes of this section, "renewable energy" means solar
1850 photovoltaic energy, solar thermal, geothermal energy, wind, ocean
1851 thermal energy, wave or tidal energy, fuel cells, landfill gas,
1852 hydropower that meets the low-impact standards of the Low-Impact
1853 Hydropower Institute, hydrogen production and hydrogen conversion
1854 technologies, low emission advanced biomass conversion technologies,
1855 alternative fuels, used for electricity generation including ethanol,
1856 biodiesel or other fuel produced in Connecticut and derived from
1857 agricultural produce, food waste or waste vegetable oil, provided the
1858 Commissioner of Environmental Protection determines that such fuels
1859 provide net reductions in greenhouse gas emissions and fossil fuel
1860 consumption, usable electricity from combined heat and power
1861 systems with waste heat recovery systems, thermal storage systems
1862 and other energy resources and emerging technologies which have
1863 significant potential for commercialization and which do not involve
1864 the combustion of coal, petroleum or petroleum products, municipal
1865 solid waste or nuclear fission.

1866 (b) On and after July 1, 2004, the Department of Public Utility
1867 Control shall assess or cause to be assessed a charge of not less than
1868 one mill per kilowatt hour charged to each end use customer of electric
1869 services in this state which shall be deposited into the Renewable
1870 Energy Investment Fund established under subsection (c) of this
1871 section. Notwithstanding the provisions of this section, receipts from
1872 such charges shall be disbursed to the resources of the General Fund
1873 during the period from July 1, 2003, to June 30, 2005, unless the
1874 department shall, on or before October 30, 2003, issue a financing order
1875 for each affected distribution company in accordance with sections 16-
1876 245e to 16-245k, inclusive, to sustain funding of renewable energy
1877 investment programs by substituting an equivalent amount, as
1878 determined by the department in such financing order, of proceeds of

1879 rate reduction bonds for disbursement to the resources of the General
1880 Fund during the period from July 1, 2003, to June 30, 2005. The
1881 department may authorize in such financing order the issuance of rate
1882 reduction bonds that substitute for disbursement to the General Fund
1883 for receipts of both charges under this subsection and subsection (a) of
1884 section 16-245m, as amended by this act, and also may in its discretion
1885 authorize the issuance of rate reduction bonds under this subsection
1886 and subsection (a) of section 16-245m, as amended by this act, that
1887 relate to more than one electric distribution company. The department
1888 shall, in such financing order or other appropriate order, offset any
1889 increase in the competitive transition assessment necessary to pay
1890 principal, premium, if any, interest and expenses of the issuance of
1891 such rate reduction bonds by making an equivalent reduction to the
1892 charges imposed under this subsection, provided any failure to offset
1893 all or any portion of such increase in the competitive transition
1894 assessment shall not affect the need to implement the full amount of
1895 such increase as required by this subsection and sections 16-245e to 16-
1896 245k, inclusive. Such financing order shall also provide if the rate
1897 reduction bonds are not issued, any unrecovered funds expended and
1898 committed by the electric distribution companies for renewable
1899 resource investment through deposits into the Renewable Energy
1900 Investment Fund, provided such expenditures were approved by the
1901 department following August 20, 2003, and prior to the date of
1902 determination that the rate reduction bonds cannot be issued, shall be
1903 recovered by the companies from their respective competitive
1904 transition assessment or systems benefits charge except that such
1905 expenditures shall not exceed one million dollars per month. All
1906 receipts from the remaining charges imposed under this subsection,
1907 after reduction of such charges to offset the increase in the competitive
1908 transition assessment as provided in this subsection, shall be disbursed
1909 to the Renewable Energy Investment Fund commencing as of July 1,
1910 2003. Any increase in the competitive transition assessment or decrease
1911 in the renewable energy investment component of an electric
1912 distribution company's rates resulting from the issuance of or
1913 obligations under rate reduction bonds shall be included as rate

1914 adjustments on customer bills.

1915 (c) There is hereby created a Renewable Energy Investment Fund
1916 which shall be within Connecticut Innovations, Incorporated for
1917 administrative purposes only. The fund may receive any amount
1918 required by law to be deposited into the fund and may receive any
1919 federal or other funds as may become available to the state for
1920 renewable energy investments. Upon authorization of the Renewable
1921 Energy Investments Board established pursuant to subsection (d) of
1922 this section, Connecticut Innovations, Incorporated, may use any
1923 amount in said fund for expenditures that promote investment in
1924 renewable energy sources in accordance with a comprehensive plan
1925 developed by it to foster the growth, development and
1926 commercialization of renewable energy sources, related enterprises
1927 and stimulate demand for renewable energy and deployment of
1928 renewable energy sources that serve end use customers in this state
1929 and for the further purpose of supporting operational demonstration
1930 projects for advanced technologies that reduce energy use from
1931 traditional sources and ensure available conservation and renewable
1932 resources programs are integrated, to the extent practicable, to simplify
1933 consumer access to integrated services of all available resources,
1934 minimize expenses in the administration of each program and reduce
1935 environmental impacts and security risks of energy in the state. Such
1936 expenditures may include, but not be limited to, reimbursement for
1937 services provided by the administrator of the fund including a
1938 management fee, disbursements from the fund to develop and carry
1939 out the plan developed pursuant to subsection (d) of this section,
1940 grants, direct or equity investments, contracts or other actions which
1941 support research, development, manufacture, commercialization,
1942 deployment and installation of renewable energy technologies, and
1943 actions which expand the expertise of individuals, businesses and
1944 lending institutions with regard to renewable energy technologies.

1945 (d) There is hereby created a Renewable Energy Investments Board
1946 to act on matters related to the Renewable Energy Investment Fund,
1947 including, but not limited to, development of a comprehensive plan

1948 and expenditure of funds. The Renewable Energy Investments Board
1949 shall, in such plan, give preference to projects that maximize the
1950 reduction of federally mandated congestion charges. The Renewable
1951 Energy Investments Board shall make a draft of the comprehensive
1952 plan available for public comment for not less than thirty days. The
1953 board shall conduct three public hearings in three different regions of
1954 the state on the draft comprehensive plan and shall include a
1955 summarization of all public comments received at said public hearings
1956 in the final comprehensive plan approved by the board. The board
1957 shall provide a copy of the comprehensive plan, in accordance with the
1958 provisions of section 11-4a, to the joint standing committees of the
1959 General Assembly having cognizance of matters relating to energy, the
1960 environment and commerce and to the Energy Conservation
1961 Management Board. The Department of Public Utility Control shall, in
1962 an uncontested proceeding, during which the department may hold a
1963 public hearing, approve, modify or reject the comprehensive plan
1964 prepared pursuant to this subsection.

1965 (e) The Renewable Energy Investments Board shall include not
1966 more than [fifteen] sixteen individuals with knowledge and experience
1967 in matters related to the purpose and activities of the Renewable
1968 Energy Investment Fund. The board shall consist of the following
1969 members: (1) One person with expertise regarding renewable energy
1970 resources appointed by the speaker of the House of Representatives;
1971 (2) one person representing a state or regional organization primarily
1972 concerned with environmental protection appointed by the president
1973 pro tempore of the Senate; (3) one person with experience in business
1974 or commercial investments appointed by the majority leader of the
1975 House of Representatives; (4) one person representing a state or
1976 regional organization primarily concerned with environmental
1977 protection appointed by the majority leader of the Senate; (5) one
1978 person with experience in business or commercial investments
1979 appointed by the minority leader of the House of Representatives; (6)
1980 the Commissioner of Emergency Management and Homeland Security
1981 or the commissioner's designee; (7) one person with expertise

1982 regarding renewable energy resources appointed by the Governor; (8)
1983 two persons with experience in business or commercial investments
1984 appointed by the board of directors of Connecticut Innovations,
1985 Incorporated; (9) a representative of a state-wide business association,
1986 manufacturing association or chamber of commerce appointed by the
1987 minority leader of the Senate; (10) the Consumer Counsel; (11) the
1988 Secretary of the Office of Policy and Management or the secretary's
1989 designee; (12) the Commissioner of Environmental Protection or the
1990 commissioner's designee; (13) a representative of organized labor
1991 appointed by the Governor; [and] (14) a representative of residential
1992 customers or low-income customers appointed by the Governor; and
1993 (15) a representative of the Energy Conservation Management Board
1994 selected by such board. On a biennial basis, the board shall elect a
1995 chairperson and vice-chairperson from among its members and shall
1996 adopt such bylaws and procedures it deems necessary to carry out its
1997 functions. The board may establish committees and subcommittees as
1998 necessary to conduct its business.

1999 (f) The board annually shall [issue annually a report to the
2000 Department of Public Utility Control reviewing the activities of the
2001 Renewable Energy Investment Fund in detail and shall provide a copy
2002 of such report, in accordance with the provisions of section 11-4a, to
2003 the joint standing committees of the General Assembly having
2004 cognizance of matters relating to energy and commerce and the Office
2005 of Consumer Counsel. The report shall include a description of the
2006 programs and activities undertaken during the reporting period jointly
2007 or in collaboration with the Energy Conservation and Load
2008 Management Funds established pursuant to section 16-245m] provide
2009 documentation and information for the consolidated report prepared
2010 by the Energy Conservation Management Board pursuant to section
2011 529 of this act.

2012 (g) There shall be a joint committee of the Energy Conservation
2013 Management Board and the Renewable Energy Investments Board, as
2014 provided in [subdivision (2) of] subsection (d) of section [16-245m] 526
2015 of this act.

2016 (h) No later than December 31, 2006, and no later than December
2017 thirty-first every five years thereafter, the board shall, after consulting
2018 with the Energy Conservation Management Board, conduct an
2019 evaluation of the performance of the programs and activities of the
2020 fund and submit a report, in accordance with the provisions of section
2021 11-4a, of the evaluation to the joint standing committees of the General
2022 Assembly having cognizance of matters relating to energy and
2023 commerce.

2024 Sec. 534. Section 16a-41a of the general statutes is repealed and the
2025 following is substituted in lieu thereof (*Effective July 1, 2009*):

2026 (a) The Commissioner of Social Services shall submit to the joint
2027 standing committees of the General Assembly having cognizance of
2028 energy planning and activities, appropriations, and human services the
2029 following on the implementation of the block grant program
2030 authorized under the Low-Income Home Energy Assistance Act of
2031 1981, as amended:

2032 (1) Not later than August first, annually, a Connecticut energy
2033 assistance program annual plan which establishes guidelines for the
2034 use of funds authorized under the Low-Income Home Energy
2035 Assistance Act of 1981, as amended, and includes the following:

2036 (A) Criteria for determining which households are to receive
2037 emergency and weatherization assistance;

2038 (B) A description of systems used to ensure referrals to other energy
2039 assistance programs and the taking of simultaneous applications, as
2040 required under section 16a-41;

2041 (C) A description of outreach efforts;

2042 (D) Estimates of the total number of households eligible for
2043 assistance under the program and the number of households in which
2044 one or more elderly or physically disabled individuals eligible for
2045 assistance reside; [and]

2046 (E) Design of a basic grant for eligible households that does not
2047 discriminate against such households based on the type of energy used
2048 for heating; and

2049 (F) The Department of Social Services' system for (i) identifying
2050 households to whom it provides cash, medical or food assistance who
2051 may be eligible for conservation assistance through programs
2052 developed pursuant to the comprehensive conservation plan approved
2053 in accordance with section 528 of this act and sections 7-233y, 16-32f, as
2054 amended by this act, and 16-245m, as amended by this act, (ii)
2055 obtaining permission from such households to transmit information
2056 regarding the households to such conservation programs for purposes
2057 of facilitating provision of any available conservation resource, and
2058 (iii) systematically transmitting household information to such
2059 conservation programs when permission has been obtained. Such
2060 system shall be part of the department's application and periodic
2061 redetermination eligibility procedures and shall be developed in
2062 consultation with the Energy Conservation Management Board;

2063 (2) Not later than January thirtieth, annually, a report covering the
2064 preceding months of the program year, including:

2065 (A) In each community action agency geographic area and
2066 Department of Social Services region, the number of fuel assistance
2067 applications filed, approved and denied, the number of emergency
2068 assistance requests made, approved and denied and the number of
2069 households provided weatherization assistance;

2070 (B) In each such area and district, the total amount of fuel,
2071 emergency and weatherization assistance, itemized by such type of
2072 assistance, and total expenditures to date; and

2073 (C) For each state-wide office of each state agency administering the
2074 program, each community action agency and each Department of
2075 Social Services region, administrative expenses under the program, by
2076 line item, and an estimate of outreach expenditures; and

2077 (3) Not later than November first, annually, a report covering the
2078 preceding twelve calendar months, including:

2079 (A) In each community action agency geographic area and
2080 Department of Social Services region, (i) seasonal totals for the
2081 categories of data submitted under subdivision (1) of this subsection,
2082 (ii) the number of households receiving fuel assistance in which elderly
2083 or physically disabled individuals reside, and (iii) the average
2084 combined benefit level of fuel, emergency and renter assistance;

2085 (B) Types of weatherization assistance provided;

2086 (C) Percentage of weatherization assistance provided to tenants;

2087 (D) The number of homeowners and tenants whose heat or total
2088 energy costs are not included in their rent receiving fuel and
2089 emergency assistance under the program by benefit level;

2090 (E) The number of homeowners and tenants whose heat is included
2091 in their rent and who are receiving assistance, by benefit level; [and]

2092 (F) The number of households receiving assistance, by energy type
2093 and total expenditures for each energy type; and

2094 (G) The number of households to which it provides cash, medical or
2095 food assistance from which the Department of Social Services obtained
2096 permission and transmitted information regarding the household to
2097 conservation programs developed pursuant to the comprehensive
2098 conservation plan approved in accordance with section 528 of this act
2099 and sections 7-233y, 16-32f, as amended by this act, and 16-245m, as
2100 amended by this act.

2101 (b) The Commissioner of Social Services shall implement a program
2102 to purchase deliverable fuel for low-income households participating
2103 in the Connecticut energy assistance program and the state-
2104 appropriated fuel assistance program. The commissioner shall ensure
2105 that no fuel vendor discriminates against fuel assistance program
2106 recipients who are under the vendor's standard payment, delivery,

2107 service or other similar plans. The commissioner may take advantage
2108 of programs offered by fuel vendors that reduce the cost of the fuel
2109 purchased, including, but not limited to, fixed price, capped price,
2110 prepurchase or summer-fill programs that reduce program cost and
2111 that make the maximum use of program revenues. As funding allows,
2112 the commissioner shall ensure that all agencies administering the fuel
2113 assistance program shall make payments to program fuel vendors in
2114 advance of the delivery of energy where vendor provided price-
2115 management strategies require payments in advance.

2116 (c) Each community action agency administering a fuel assistance
2117 program shall submit reports, as requested by the Commissioner of
2118 Social Services, concerning pricing information from vendors of
2119 deliverable fuel participating in the program. Such information shall
2120 include, but not be limited to, the state-wide or regional retail price per
2121 unit of deliverable fuel, the reduced price per unit paid by the state for
2122 the deliverable fuel in utilizing price management strategies offered by
2123 program vendors for all consumers, the number of units delivered to
2124 the state under the program and the total savings under the program
2125 due to the purchase of deliverable fuel utilizing price-management
2126 strategies offered by program vendors for all consumers.

2127 (d) If funding allows, the Commissioner of Social Services, in
2128 consultation with the Secretary of the Office of Policy and
2129 Management, shall require that, each community action agency
2130 administering a fuel assistance program begin accepting applications
2131 for the program not later than September first of each year.

2132 (e) Weatherization assistance funded or administered by or through
2133 the Department of Social Services shall be integrated, to the extent
2134 practicable, with conservation programs adopted pursuant to section
2135 528 of this act and sections 7-233y, 16-32f, as amended by this act, and
2136 16-245m, as amended by this act, to simplify consumer access to
2137 integrated services of all available resources and minimize expenses in
2138 the administration of each program. The Commissioner of Social
2139 Services shall, at least one month before adoption of any plan for

2140 expenditure of funds for weatherization assistance or submission of
2141 such plan to the General Assembly, any committees thereof or any
2142 federal agency, submit its proposed plan to the Energy Conservation
2143 Management Board for advice regarding such plan and integration of
2144 such weatherization assistance with conservation programs contained
2145 in the comprehensive conservation plan approved in accordance with
2146 said section 528 and said sections 7-233y, 16-32f, as amended by this
2147 act, and 16-245m, as amended by this act. The commissioner shall
2148 provide a copy of any final weatherization assistance plan before its
2149 implementation to such board and to the joint standing committees of
2150 the General Assembly having cognizance of matters relating to energy,
2151 the environment and human services and shall simultaneously report
2152 the comments of the Energy Conservation Management Board and the
2153 extent to which the weatherization assistance is integrated with other
2154 available conservation programs.

2155 Sec. 535. Section 16-245z of the general statutes is repealed and the
2156 following is substituted in lieu thereof (*Effective July 1, 2009*):

2157 [Not later than October 1, 2005, the] The Department of Public
2158 Utility Control, [and] the Connecticut Electric Authority, the Energy
2159 Conservation Management Board, established in section [16-245m,] 26
2160 of this act, the Renewable Energy Resources Board established
2161 pursuant to section 16-245n, as amended by this act, each electric
2162 distribution company, each gas company and each municipal electric
2163 utility to the extent programs may be available to their customers shall
2164 establish links on their Internet web sites to web sites for conservation
2165 and renewable resources programs in the comprehensive conservation
2166 plan approved in accordance with section 528 of this act and sections
2167 7-233y, 16-32f, as amended by this act, and 16-245n, as amended by
2168 this act, and web sites for other conservation assistance that may be
2169 available to Connecticut residents, including rebate programs and tax
2170 exemptions or reductions, and the Energy Star program or successor
2171 program that promotes energy efficiency and each electric distribution
2172 company shall establish a link under its conservation programs on its
2173 Internet web site to the Energy Star program or such successor

2174 program.

2175 Sec. 536. Subdivision (2) of subsection (c) of section 4-73 of the
2176 general statutes is repealed and the following is substituted in lieu
2177 thereof (*Effective July 1, 2009*):

2178 (2) In addition, the supporting schedule of agency energy costs shall
2179 be supported by a statement of the agency's plans for energy
2180 conservation in each fiscal year of the ensuing biennium, and a
2181 statement of the progress the agency has made in the last-completed
2182 fiscal year concerning energy conservation. For the biennium
2183 commencing July 1, 2010, and each biennium thereafter, the Office of
2184 Policy and Management shall submit in accordance with the
2185 provisions of section 11-4a such supporting schedule to the joint
2186 standing committees of the General Assembly having cognizance of
2187 matters relating to energy, the environment and commerce.

2188 Sec. 537. Sections 7-233z and 16a-22l of the general statutes and
2189 subsections (e) and (f) of section 16-245m of the general statutes, as
2190 amended by this act, are repealed. (*Effective July 1, 2009*)